A/62/8

United Nations

Report of the Governing Council of the United Nations Human Settlements Programme

Twenty-first session (16-20 April 2007)

General Assembly
Official Records
Sixty-second Session
Supplement No. 8 (A/62/8)

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United Nations • New York, 2007

Note

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

ISSN 0252-5283

Report of the Governing Council of the United Nations Human Settlements Programme*

Twenty-first session
Nairobi, 16-20 April 2007

* A full account of the proceedings of the Governing Council on the work of its twenty-first session, containing, among other things, chapters on the discussions under each agenda item, is being circulated as document HSP/GC/21/7.

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I. Introduction

1. The Governing Council was established in pursuance of General Assembly resolutions 32/162 of 19 December 1977 and 56/206 of 21 December 2001.

2. The report of the Governing Council on the work of its twenty-first session is submitted to the General Assembly in accordance with section II, paragraph 6, of resolution 32/162 and paragraph 7 of section A of General Assembly resolution 56/206.

3. The Governing Council consists of 58 members, each elected for a four-year term by the Economic and Social Council of the United Nations: 16 from African States, 13 from Asian States, 6 from Eastern European States, 10 from Latin American and Caribbean States and 13 from Western European and other States. At present it has one vacant seat.

4. At present, the Governing Council is composed of the following members, whose terms of office expire on 31 December of the year in brackets after the country name:

African States (16)
Burundi (2010)
Congo (2007)
Equatorial Guinea (2010)
Ghana (2008)
Kenya (2007)
Libyan Arab Jamahiriya (2008)
Mauritania (2010)
Niger (2010)
Nigeria (2007)
Rwanda (2008)
Senegal (2010)
South Africa (2007)
Swaziland (2007)
Tanzania (2008)
Uganda (2008)
Zimbabwe (2010)

Western European and other States (13)
Belgium (2008)
Canada (2008)
Finland (2010)
France (2008)
Germany (2007)
Greece (2007)
Israel (2007)
Italy (2010)
Netherlands (2010)
Norway (2007)
Spain (2007)
Sweden (2008)
United States of America (2010)

Latin American and Caribbean States (10)
Antigua and Barbuda (2008)
Argentina (2010)
Chile (2010)
Costa Rica (2007)
Grenada (2010)
Haiti (2008)
Mexico (2007)
Paraguay (2007)
Trinidad and Tobago (2007)
Venezuela (Bolivarian Republic of) (2010)

Asian States (13)
Bangladesh (2008)
China (2008)
Indonesia (2010)
India (2007)
Iran, Islamic Republic of (2010)
Japan (2010)
Jordan (2007)
Pakistan (2010)
Philippines (2007)
Saudi Arabia (2007)
Sri Lanka (2007)
United Arab Emirates (2008)
One vacant seat

Eastern European States (6)
Belarus (2007)
Bulgaria (2007)
Czech Republic (2008)
Poland (2010)
Russian Federation (2010)
Slovakia (2007)

5. The twenty-first session of the Governing Council was held at the headquarters of the United Nations Human Settlements Programme (UN-Habitat), Nairobi, from 16 to 20 April 2007.

II. Organization of the session (agenda items 1–4)

A. Opening of the session

6. The twenty-first session was opened at 10 a.m. on Monday, 16 April 2007, by Mr. Petr Kopřiva, President of the Governing Council at its twentieth session.

7. The formal opening of the session was preceded by a welcoming performance by the United Nations Staff Choir, the Songbirds, and followed by a performance by the Kenyan Moipei Girls Quartet of two songs in Kiswahili that dealt with the rural land crisis and how it was unleashing premature urbanization leading to untold misery for young people living in poverty in cities.

8. Following that performance, a message from the Secretary-General of the United Nations, Mr. Ban Ki-moon, was read out by the Deputy Executive Director of UN-Habitat, Ms. Inga Björk-Klevby. The text of the Secretary-General's message is reproduced in annex II to the present report.

9. Opening statements were made by Ms. Anna Kajumulo Tibaijuka, Director-General of the United Nations Office at Nairobi and Executive Director of UN-Habitat, and by Mr. Achim Steiner, Executive Director of the United Nations Environment Programme (UNEP). A message from Sheikh Khalifa bin Salman al Khalifa, Prime Minister of Bahrain, was read out on his behalf by Mr. Fahmi Al Jowder, Minister of Works and Housing of Bahrain. Summaries of those statements and the message are set forth in annex III to the present report.

10. The President of the Republic of Kenya, Mr. Mwai Kibaki, then addressed the Governing Council and inaugurated the session. A summary of his statement is also set forth in annex III to the present report.

B. Attendance

11. The following 51 States members of the Governing Council were represented: Antigua and Barbuda, Argentina, Bangladesh, Belarus, Belgium, Burundi, Canada, Chile, China, Czech Republic, Finland, France, Germany, Ghana, Greece, Haiti, India, Indonesia, Iran (Islamic Republic of), Israel, Italy, Japan, Jordan, Kenya, Libyan Arab Jamahiriya, Mauritania, Mexico, Netherlands, Niger, Nigeria, Norway, Pakistan, Paraguay, Philippines, Poland, Russian Federation, Rwanda, Saudi Arabia, Senegal, Slovakia, South Africa, Spain, Sri Lanka, Swaziland, Sweden, Trinidad and Tobago, Uganda, United Republic of Tanzania, United States of America, Venezuela (Bolivarian Republic of) and Zimbabwe.

12. The following 55 States not members of the Governing Council participated as observers: Algeria, Angola, Armenia, Austria, Azerbaijan, Bahrain, Barbados, Botswana, Brazil, Brunei Darussalam, Burkina Faso, Cameroon, Cape Verde, Chad, Colombia, Comoros, Côte d'Ivoire, Cuba, Cyprus, Democratic Republic of the Congo, Denmark, Djibouti, Egypt, Eritrea, Ethiopia, Gambia, Guinea, Hungary, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Lesotho, Liberia, Malawi, Malaysia, Maldives, Mali, Morocco, Mozambique, Namibia, Portugal, Republic of Korea, Romania, Serbia, Sierra Leone, Somalia, Sudan, Tajikistan, Thailand, Togo, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland, Yemen and Zambia.

13. The Holy See and the Palestinian Authority were represented by observers.

14. The following six United Nations bodies were represented: the United Nations Development Programme (UNDP), the United Nations Economic Commission for Africa, the United Nations Institute for Training and Research (UNITAR), the United Nations Office on Drugs and Crime, the United Nations Millennium Campaign and the United Nations Population Fund (UNFPA).

15. The following three United Nations specialized agencies were represented: the International Labour Organization (ILO), the World Bank and the World Meteorological Organization (WMO).

16. Representatives of 22 national and regional assemblies and parliaments, local authorities and national, regional and international associations of local authorities attended the meeting.

17. In addition, 73 non-governmental and private sector organizations were represented.

18. A full list of those attending the session may be found in the final list of participants, which is available under the symbol HSP/GC/21/INF/11/Rev.1.

C. Election of officers

19. At the 1st plenary meeting, on 16 April 2007, Ms. Kumari Selja (India) was elected President of the Governing Council at its twenty-first session.

20. Ms. Selja took the Chair and expressed her thanks to the Governing Council for the confidence and support which it had shown towards her and her country.

21. The following other officers were also elected for the session:

Vice-Presidents:	Mr. Michael Werikhe (Uganda)
	Mr. Daniel Chuburu (Argentina)
	Mr. Ross Hynes (Canada)
Rapporteur:	Mr. Andrey Pronin (Russian Federation)

D. Credentials

22. In pursuance of rule 16, paragraph 2, of the rules of procedure of the Governing Council, the Bureau reported to the Governing Council at its 7th plenary meeting, on 20 April 2007, that it had examined the credentials submitted by delegations attending the twenty-first session of the Governing Council and had found them to be in order. The Governing Council approved the report of the Bureau on credentials at the same meeting.

E. Adoption of the agenda

23. At its 1st plenary meeting, the Governing Council had before it documents HSP/GC/21/1 and Add.1. The Governing Council adopted the provisional agenda for the twenty-first session as contained in document HS/GC/21/1, as follows:

1. Opening of the meeting.
2. Election of officers.
3. Credentials.
4. Adoption of the agenda and organization of work.
5. Activities of the United Nations Human Settlements Programme (UN-Habitat), including coordination matters.
6. Dialogue on the special theme for the twenty-first session of the Governing Council.
7. Work programme of UN-Habitat for the 2008–2009 biennium and budget of the United Nations Habitat and Human Settlements Foundation for the 2008–2009 biennium.
8. Medium-term strategic and institutional plan for UN-Habitat for the period 2008–2013.

9. Provisional agenda and other arrangements for the twenty-second session of the Governing Council.

10. Other matters.

11. Adoption of the report of the session.

12. Closure of the session.

F. Organization of work

24. At its 1st plenary meeting, the Governing Council established a sessional Committee of the Whole, to which it allocated agenda items 5, 7, 8 and 9, with issues arising from items 5, 6, 8 and other items to be given preliminary consideration in general debate at the plenary meetings of the Council.

25. The preliminary work of the plenary meeting was divided into two segments; first, a high-level segment, with interventions primarily by ministers and other heads of delegations, which would he held on the first and second days; and, second, a dialogue of Governments with local authorities and other Habitat Agenda partners to be held on the third day.

26. The Governing Council also established a drafting committee to consider the draft resolutions submitted to the Governing Council.

27. In considering the agenda items, representatives had before them the documents listed for each item in the annotated agenda for the session (HSP/GC/21/1/Add.1). Also, a list of documents before the Governing Council was issued under the symbol HSP/GC/21/INF/1. The contents of that document are reproduced as annex VII to the present report.

G. Work of the Committee of the Whole (agenda items 5, 7, 8 and 9)

28. The Committee of the Whole established by the Governing Council at its 1st plenary meeting was chaired by Mr. Michael Werikhe, Minister of Housing of Uganda and one of the three Vice-Presidents of the Governing Council. It held three meetings between 16 and 20 April. At its 1st meeting, on the afternoon of Monday, 16 April 2007, the Chair informed the Committee that it would consider agenda items 5, 7, 8 and 9 and prepare a report on its deliberations for the plenary session of the Governing Council.

29. At that meeting, the Committee took up agenda item 8 on the Medium-term Strategic and Institutional Plan and endorsed the agreement reached by the Bureau to assign that item to an open-ended working group. It agreed also that the group should be chaired by Vice-President Mr. Daniel Chuburu, Permanent Representative of Argentina to UN-Habitat. It was agreed also that the group could further divide to consider the two main issues under the agenda item, the Medium-term Strategic and Institutional Plan itself and the United Nations Habitat and Human Settlements Foundation, together with the question of its revolving fund (see also agenda item 7, in part on the budget of the United Nations Habitat and Human Settlements Foundation for the 2008–2009 biennium). It was further agreed that Ms. Elisabeth Jacobsen, Chair of the Committee of Permanent Representatives to UN-Habitat, would chair the former subgroup and that Vice-President Chuburu would chair the latter.

30. The Committee agreed to refer consideration of the Medium-term Strategic and Institutional Plan and the revolving fund for the United Nations Habitat and Human Settlements Foundation to the two subgroups set up for that purpose under the open-ended working group.

31. At its 2nd meeting, on the morning of Tuesday, 17 April, the Committee began consideration of agenda item 7, on the work programme and budget for the 2008–2009 biennium. After discussion, it was

agreed that the item should be referred to the working group on the Medium-term Strategic and Institutional Plan.

32. At its 3rd and final meeting, on the morning of Friday, 20 April, the Committee adopted the report of its deliberations. At its three meetings, it had succeeded in achieving consensus on all four agenda items before it. The report of the Committee of the Whole is more fully reflected in the proceedings of the Governing Council at its twenty-first session.[1]

H. Work of the drafting committee and adoption of resolutions

33. The drafting committee held 10 meetings during the session and reached agreement by consensus on eight draft resolutions. Consensus was also reached on two other resolutions introduced by the President of the Governing Council.

34. Those 10 resolutions, as adopted by the Governing Council at its 7th plenary meeting, on the afternoon of Friday, 20 April, are reproduced in annex I to the present report.

III. Provisional agenda and other arrangements for the twenty-second session of the Governing Council (agenda item 9)

35. The Governing Council considered the agenda item at its 7th plenary meeting, on Friday, 20 April. It adopted decision 21/1 on the provisional agenda for the twenty-second session of the Governing Council of the United Nations Human Settlements Programme, the text of which is reproduced in annex I to the present report.

36. On the recommendation of the Bureau, it was decided that the twenty-second session of the Governing Council should be held from 30 March to 3 April 2009 at UN-Habitat headquarters, Nairobi.

IV. High-level segment and dialogue on the special theme of the session (agenda items 5, 6 and 8)

37. At the 1st plenary meeting, a panel discussion on financing affordable housing and urban infrastructure in a reformed United Nations was chaired by Ms. Inga Björk-Klevby, Deputy Executive Director of UN-Habitat, with panellists from three international financial institutions, a domestic financial institution and UNEP. A summary of the panel discussion is set forth in annex IV to the present report.

38. At the 2nd plenary meeting, on the afternoon of Monday, 16 April, Ms. Anna Tibaijuka, Executive Director of UN-Habitat, made a policy statement introducing the general debate on agenda items 5, 6 and 8. A summary of her statement is set forth in annex V to the present report.

39. The Governing Council took up agenda items 5, 6 and 8 at its 2nd plenary meeting, following the Executive Director's policy statement, at which time it commenced the high-level general debate on those agenda items. The general debate continued at its 3rd and 4th meetings, on Tuesday, 17 April. A summary of the general debate by the President of the Governing Council is set forth in annex VI to the present report.

40. At its 5th and 6th plenary meetings, on Wednesday, 18 April, the Council held the dialogue on the special theme for the session under agenda item 6. A summary of the dialogue, prepared by the President of the Governing Council, is also set forth in annex VI to the present report.

V. Other matters (agenda item 10)

41. No other matters were discussed.

[1] HSP/GC/21/7, available on the UN-Habitat website www.unhabitat.org.

VI. Adoption of the report of the session (agenda item 11)

42. At the 7th plenary meeting, the Chair of the Committee of the Whole gave an oral presentation on the deliberations of the Committee and its subgroups. The report of the Committee of the Whole was endorsed by the Governing Council. The contents of that report were incorporated into the proceedings of the session[2] (see paragraph 32 above) on the understanding that the secretariat and the Rapporteur would be entrusted with the finalization of that document.

43. The present report was adopted, as amended, by the Governing Council at its 7th plenary meeting, on 20 April 2007, on the basis of the draft which had been circulated during the session and on the understanding that the secretariat and the Rapporteur would be entrusted with the finalization of the document.

VII. Closure of the session (agenda item 12)

44. Closing statements were made by Ms. Tibaijuka; Mr. Djismun Kasri, Permanent Representative of Indonesia, on behalf of the Group of 77 and China; Mr. Walter Lindner, Permanent Representative of Germany, on behalf of the European Union; Mr. Gerald Anderson (United States of America); Mr. Aleksander Vallestad (Norway), Youth President, Norwegian Red Cross, and Chairman, Youth Board; Mr. Guri Storvold (Norway), Secretary of State, Ministry of Local Government and Regional Development; Mr. Solomon Karanja, Permanent Representative of Kenya, on behalf of the African Group and also the host country; Mr. Rodrigo Gaete, Permanent Representative of Chile, on behalf of the Latin American and Caribbean group of States; Mr. Norbert Manyasi Sangura, Commonwealth Human Ecology Council of Kenya (CHEC); and the President of the Session, Ms. Kumari Selja. Those statements are summarized in the proceedings of the Governing Council (document HSP/GC/21/7).

45. After the customary exchange of courtesies, the President of the Governing Council declared the twenty-first session of the Governing Council of the United Nations Human Settlements Programme closed at 6.35 p.m. on Friday, 20 April 2007.

[2] Ibid.

Annex I

Decision and resolutions adopted by the Governing Council of the United Nations Human Settlements Programme at its twenty-first session

A. Decision

Decision No.	Title	Date of adoption	Page
21/1	Provisional agenda of the twenty-second session of the Governing Council of the United Nations Human Settlements Programme	20 April 2007	9

B. Resolutions

Resolution No.	Title	Date of adoption	Page
21/1	Proposed work programme and budget of the United Nations Human Settlements Programme for 2008–2009	20 April 2007	9
21/2	Medium-term strategic and institutional plan for 2008–2013	20 April 2007	11
21/3	Guidelines on decentralization and strengthening of local authorities	20 April 2007	13
21/4	Guiding principles on access to basic services for all	20 April 2007	14
21/5	Sustainable development of Arctic human settlements	20 April 2007	15
21/6	Urban youth development	20 April 2007	16
21/7	Sustainable public-private partnership incentives for attracting large-scale private-sector investment in low-income housing	20 April 2007	18
21/8	Africa fund/financing mechanism on slum prevention and upgrading	20 April 2007	19
21/9	Women's land and property rights and access to finance	20 April 2007	21
21/10	Strengthening the Habitat and Human Settlements Foundation: experimental financial mechanisms for pro-poor housing and infrastructure	20 April 2007	22

Decision 21/1: Provisional agenda of the twenty-second session of the Governing Council of the United Nations Human Settlements Programme

The Governing Council decided that the provisional agenda of its twenty-second session would be as follows:

1. Opening of the meeting.
2. Election of officers.
3. Credentials.
4. Adoption of the agenda and organization of work.
5. Activities of the United Nations Human Settlements Programme (UN-Habitat), including coordination matters.
6. Dialogue on the special theme for the twenty-second session of the Governing Council.
7. Work programme and budget of UN-Habitat for the 2010–2011 biennium.
8. Other matters.
9. Provisional agenda and other arrangements for the twenty-third session of the Governing Council.
10. Adoption of the report of the session.
11. Closure of the session.

7th plenary meeting
20 April 2007

Resolution 21/1: Proposed work programme and budget of the United Nations Human Settlements Programme for 2008–2009

The Governing Council,

Recalling the commitments made by Governments in the United Nations Millennium Declaration[3] to achieving a significant improvement in the lives of at least 100 million slum dwellers by 2020 and, in the Plan of Implementation of the World Summit on Sustainable Development, held in Johannesburg, South Africa, from 26 August to 4 September 2002,[4] to reducing by half the proportion of people without sustainable access to safe drinking water and basic sanitation by the year 2015,

Taking into account General Assembly resolution 60/203 of 22 December 2005 calling for continued financial support to the United Nations Human Settlements Programme through increased voluntary contributions to the United Nations Habitat and Human Settlements Foundation and inviting Governments to provide multi-year funding to support programme implementation,

Acknowledging the six-year Medium-term Strategic and Institutional Plan[5] approved by the Governing Council as the overarching future strategy for the programme of work, financial and human resources of the United Nations Human Settlements Programme,

Having considered the proposed work programme and budget[6] and the addendum thereto on the proposed programme budget of the United Nations Habitat and Human Settlements Foundation for the biennium 2008–2009[7] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[8]

1. *Approves* the proposed work programme and budget for 2008–2009;[9]

2. *Requests* the Executive Director to prepare, in consultation with the Committee of Permanent Representatives, a revised strategic framework and work programme and budget for the 2008–2009 biennium incorporating the following issues:

(a) Revision and alignment of objectives, strategies, outputs, resource requirements and budget allocations in accordance with the six-year Medium-term Strategic and Institutional Plan,[10] including a revised timetable for the principal activities of its implementation;

(b) Clear definition of the priorities under different budget scenarios in a way which would lead to the maximum possible degree of implementation of the Medium-term Strategic and Institutional Plan, including a clear indication of the human resource needs following an assessment and prioritization of the required posts under each scenario, taking into consideration both staff redeployment and additional staff;

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[3] General Assembly resolution 55/2.

[4] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August–4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

[5] Governing Council resolution 21/2.

[6] HSP/GC/21/4.

[7] HSP/GC/21/4/Add.2.

[8] HSP/GC/21/4/Add.1.

[9] HSP/GC/21/4 and Add.2.

[10] Governing Council resolution 21/2.

(c) Inclusion of a timetable for the preparation of and consultation on the strategic framework and the work programme and budget for the biennium 2010–2011;

3. *Approves* the general-purpose budget of $32,795,100 and endorses the special-purpose budget of $72,933,500 for the biennium 2008–2009 as outlined in the proposed work programme and budget for 2008–2009;

4. *Authorizes* the Executive Director, subject to the availability of resources, to make additional commitments of up to $15 million for the implementation of the revised work programme and budget against general-purpose funds as well as against any additional special-purpose funds;

5. *Approves* an increase in the general-purpose statutory reserve from $2,419,100 to $3,279,500 for the biennium 2008–2009;

6. *Takes note* of the review of the administrative arrangements at the United Nations Human Settlements Programme, including its relationship with the United Nations Office at Nairobi;[11]

7. *Requests* the Executive Director to develop a specific gender equality action plan for 2008–2013, concerning the policies, programmes and activities of the United Nations Human Settlements Programme together with performance indicators so as to ensure tangible and measurable gains for the realization of gender equality, to be submitted to the Governing Council at its twenty-second session;

8. *Also requests* the Executive Director to report periodically to Governments, including through the Committee of Permanent Representatives, using a results-based format, on progress made in the implementation of the revised work programme and budget for the biennium 2008–2009;

9. *Further requests* the Executive Director to ensure timely and detailed consultation with the Committee of Permanent Representatives during the preparation of both a prioritized strategic framework for 2010–2011 and a prioritized, results-based work programme and budget for the 2010-2011 biennium, both aligned to the six-year Medium-term Strategic and Institutional Plan;

10. *Authorizes* the Executive Director, in the event of a shortfall or a surplus in income, to adjust, in consultation with the Committee of Permanent Representatives, the level of allocations for programme activities to bring it into line with the actual level of income;

11. *Also authorizes* the Executive Director to reallocate general-purpose resources between subprogrammes in an amount up to 10 per cent of the total general-purpose budget;

12. *Further authorizes* the Executive Director to reallocate, in consultation with the Committee of Permanent Representatives, in excess of 10 per cent and up to 25 per cent of the total general purpose budget;

13. *Requests* the Executive Director to report all reallocations and adjustments to the Committee of Permanent Representatives in her quarterly financial reports.

7th plenary meeting
20 April 2007

Resolution 21/2: Medium-term strategic and institutional plan for 2008–2013

The Governing Council,

Recalling its resolution 20/19 of 8 April 2005 requesting the Executive Director, in consultation with the Committee of Permanent Representatives, to develop a six-year medium-term strategic and institutional plan for submission to the Governing Council at its twenty-first session,

[11] HSP/GC/21/INF/9.

Also recalling its request in that same resolution that the Executive Director develop an overarching resource mobilization strategy and cognizant of the importance of strengthening the financial base of the United Nations Human Settlements Programme in a way that assures adequate and predictable funding, with multi-year contributions, and an appropriate balance between its earmarked and non-earmarked contributions,

Further recalling its resolution 20/17 of 8 April 2005 requesting the Executive Director to develop a strategic policy for the United Nations Human Settlements Programme for addressing the sustainable human settlements aspects of human-made and natural disaster management,

Recognizing the challenges of adequate shelter for all and sustainable human settlements in an urbanizing world and the need ultimately to reverse the formation of slums and reduce urban poverty to achieve the Millennium Development Goals,[12]

Taking note of the Executive Director's proposal for a results-based framework for 2008-2013,[13]

Commending the United Nations Human Settlements Programme for having developed a focused, results-based medium-term strategic and institutional plan and for having done so through extensive consultations with all staff of the United Nations Human Settlements Programme, external partners, including other United Nations agencies, and the Committee of Permanent Representatives,

1. *Approves* the United Nations Human Settlements Programme's Medium-term Strategic and Institutional Plan for the period 2008–2013 as reflected in the note by the Executive Director,[14] with the exception of the proposals regarding the establishment of a revolving fund account, which is the subject of a separate resolution entitled "Strengthening the Habitat and Human Settlements Foundation: experimental financial mechanisms for pro-poor housing and infrastructure",[15] and with the further exception of the proposal to establish a voluntary indicative scale of contributions;[16]

2. *Requests* the Executive Director to establish a process of dialogue with the Committee of Permanent Representatives on further refining the resource mobilization strategy, including, among other things, innovative and non-conventional funding sources and options adopted by other United Nations bodies for broadening the donor base and, in particular, encouraging non-earmarked contributions;

3. *Endorses* the six focus areas and the enhanced normative and operational framework[17] of the Medium-term Strategic and Institutional Plan and requests the Executive Director, in consultation with the Committee of Permanent Representatives, to elaborate a process for improvement of the Plan, including the agreement of specific "SMART"[18] indicators, targets and priorities in order further to refine each of the focus areas and for reflection in the United Nations Human Settlements Programme's Strategic Framework and work programme and budget;

4. *Requests* the Executive Director, within the context of sustainable development, to ensure that cross-cutting issues such as gender, environment, youth and disaster prevention response are duly

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[12] General Assembly resolution 60/1, paragraph 17: "...the development goals and objectives agreed at the major United Nations conferences and summits, including those agreed at the Millennium Summit that are described as the Millennium Development Goals ..." See also General Assembly resolution 55/2.

[13] HSP/GC/21/5.

[14] HSP/GC/21/5/Add.1.

[15] Governing Council resolution 21/10.

[16] See document HSP/GC/21/5/Add.2.

[17] See document HSP/GC/21/5/Add.1, paras. 13 and 14.

[18] Specific, measurable, achievable, realistic and time-bound.

reflected in the implementation of the Enhanced Normative and Operational Framework, including in the indicators for each focus area;

5. *Also requests* the Executive Director to initiate plans for turning ideas into action at the regional and national levels in collaboration with partners at the global, regional, national and local levels, keeping in mind the need for regional balance, in order to assist developing countries to achieve their human settlement-related Millennium Development Goals;

6. *Further requests* the Executive Director to establish, in consultation with the Committee of Permanent Representatives, clear criteria for the United Nations Human Settlements Programme's country-level activities and deployment of Habitat Programme Managers, keeping in view the need for geographical balance and the need to ensure efficiency of the Habitat Programme Managers through proper training and the provision of adequate resources;

7. *Endorses* the proposal for a review of the United Nations Human Settlements Programme's regional presence prior to the twenty-second session of the Governing Council;

8. *Encourages* Governments to establish or strengthen broad-based national UN-Habitat committees or other participatory bodies to promote the implementation of the enhanced normative and operational framework;

9. *Welcomes* the consultations made with the Committee of Permanent Representatives on the strategic policy for addressing the sustainable human settlements aspects of human-made and natural disaster management and requests that the strategic policy be put forward for review by the Committee of Permanent Representatives by the end of 2007;

10. *Requests* the Executive Director, irrespective of the level of funds received, to give immediate priority to the proposed institutional reforms, including further implementation of results-based management, robust knowledge management systems and any institutional adjustments necessary better to align the organization with the Medium-term Strategic and Institutional Plan, consistent with the wider process of United Nations system-wide reform;

11. *Also requests* the Executive Director, in accordance with the priorities identified in the Medium-term Strategic and Institutional Plan, to review human resource requirements and implement a human resources policy based on merit, balanced geographical and gender representation, and strategic use of external expertise;

12. *Further requests* the Executive Director to consult with the Committee of Permanent Representatives on the need to review the efficiency and effectiveness of the governance structure of UN-Habitat;

13. *Urges* Governments in a position to do so to provide in-kind and cash contributions to meet the start-up as well as future costs for implementing the Medium-term Strategic and Institutional Plan;

14. *Requests* the Executive Director to strengthen partnerships with other United Nations organizations, the World Bank Group and regional development banks in order to achieve the Plan's overarching vision and objectives in line with overall United Nations system-wide reform;

15. *Calls upon* all Habitat Agenda[19] partners to support the full and effective implementation of the Plan;

16. *Requests* the Executive Director to make optimal use of efficiency gains arising from the reform process in order to redeploy resources for the implementation of the Plan;

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[19] *Report of the United Nations Conference on Human Settlements (Habitat II), Istanbul, 3-14 June 1996* (United Nations publication, Sales No. E.97.IV.6), chap. I, resolution 1, annex II.

17. *Takes note* of the four scenarios introduced in the Medium-term Strategic and Institutional Plan supplementary report[20] and authorizes the Executive Director to implement the Plan in accordance with the priorities appropriate for the level of resources available;

18. *Requests* the Executive Director to establish an annual peer-review process, in close collaboration with the Habitat Agenda partners, on the implementation of the Medium-term Strategic and Institutional Plan;

19. *Also requests* the Executive Director, based on an updated Medium-term Strategic and Institutional Plan, reflecting the present decision, to present a progress report on the implementation of the Medium-term Strategic and Institutional Plan to the Governing Council at its twenty-second session;

20. *Further requests* the Executive Director to report on progress and challenges related to the implementation of the Medium-term Strategic and Institutional Plan on a regular basis to the Committee of Permanent Representatives;

21. *Requests* the Executive Director, in close collaboration with the Committee of Permanent Representatives, to conduct a mid-term review of the Medium-term Strategic and Institutional Plan and to present the results of that review to the Governing Council at its twenty-third session.

7th plenary meeting
20 April 2007

Resolution 21/3: Guidelines on decentralization and strengthening of local authorities

The Governing Council,

Recalling its resolution 20/18, in which it took note with appreciation of the draft guidelines on decentralization and the strengthening of local authorities prepared by the members of the Advisory Group of Experts on Decentralization[21] in collaboration with the secretariat of the United Nations Human Settlements Programme, and cognizant of the report of the Executive Director on cooperation with local authorities and other Habitat Agenda[22] partners, which contains in its annex the most recent version of the draft guidelines on decentralization and the strengthening of local authorities, prepared in collaboration with United Cities and Local Governments,[23]

Bearing in mind paragraph 177 of the Habitat Agenda, adopted in Istanbul in 1996, which stresses that sustainable human settlements development can be achieved "through the effective decentralization of responsibilities, policy management, decision-making authority, and sufficient resources, including revenue collection authority, to local authorities, closest to and most representative of their constituencies",

Recognizing the importance of decentralization policies to achieving sustainable human settlements development in line with the Habitat Agenda and the Millennium Development Goals of the United Nations,[24]

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[20] HSP/GC/21/5/Add.1, annex I.

[21] Established under Governing Council resolution 19/12.

[22] *Report of the United Nations Conference on Human Settlements (Habitat II), Istanbul, 3-14 June 1996* (United Nations publication, Sales No. E.97.IV.6), chap. I, resolution 1, annex II.

[23] HSP/GC/21/2/Add.2.

[24] See document A/56/326, annex.

Acknowledging the role of national Governments within the overall context of sustainable development and their responsibility for good governance within each nation, with local authorities as their partners,

1. *Expresses appreciation* for the role that the United Nations Human Settlements Programme is playing in the international dialogue on decentralization through its promotion of improved governance at all levels by means including the consultative process on the finalization of the guidelines on decentralization;

2. *Approves* the guidelines on decentralization and strengthening of local authorities, as set out in the annex to the report on cooperation with local authorities and other Habitat Agenda partners,[25] as a key instrument to promote good governance at all levels and to strengthen local authorities;

3. *Requests* the United Nations Human Settlements Programme to assist interested Governments to adapt the guidelines to their national contexts, where appropriate, and to develop tools and indicators further as part of its support for the application of the guidelines, bearing in mind that the guidelines do not constitute a uniform or rigid blueprint to be applicable to all Member States of the United Nations;

4. *Invites* Governments to undertake further concerted and coordinated action to place decentralization and local development at the centre of governance and development policies and to strengthen their legal and institutional frameworks with regard to decentralization and governance at all levels, in line with the aforementioned guidelines;

5. *Calls upon* the United Nations Human Settlements Programme to develop innovative partnerships with local authorities and their associations, including United Cities and Local Governments, to support the ownership and application of the guidelines, including assisting United Cities and Local Governments in developing the concept of an observatory;

6. *Invites* United Cities and Local Governments to facilitate the sharing of best practices, skills and knowledge between the local authorities of Member States and to contribute its expertise to the Executive Director's progress report;

7. *Encourages* Governments to provide technical and financial support to the future work of the United Nations Human Settlements Programme on decentralization, especially its application of the guidelines on decentralization and strengthening of local authorities;

8. *Requests* the Executive Director to include a discussion of the implementation of the present resolution in her overall progress report to the Governing Council at its twenty-second session.

7th plenary meeting
20 April 2007

Resolution 21/4: Guiding principles on access to basic services for all

The Governing Council,

Recalling its resolution 20/5 on access to basic services for all within the context of sustainable human settlements and cognizant of the report of the Executive Director on access to basic services, which sets out guiding principles on access to basic services for all,[26]

[25] HSP/GC/21/2/Add.2.

[26] HSP/GC/21/2/Add.7.

Also recalling the Declaration on Cities and Other Human Settlements in the New Millennium, by which the General Assembly resolved to promote access to safe drinking water for all and to facilitate the provision of basic infrastructure and urban services, including adequate sanitation, waste management and sustainable transport through transparent and accountable management of public services and also partnerships with the private sector and non-profit organizations for the delivery of those services,[27]

1. *Expresses appreciation* for the leading role of the United Nations Human Settlements Programme and the contribution of the United Nations Institute for Training and Research in the consultative process which led to the development of the guiding principles on access to basic services for all;

2. *Recommends* that the issue of basic services for all be considered by the United Nations Economic and Social Council with a view to promoting the use of the guiding principles among United Nations bodies;

3. *Encourages* relevant United Nations bodies and other international and regional organizations to mainstream the guiding principles in their development policies and programmes;

4. *Requests* the United Nations Human Settlements Programme to develop draft guidelines on access to basic services for all, based on further consultations with other United Nations bodies and concerned stakeholders and in line with the draft guidelines on decentralization[28] and the guiding principles on access to basic services for all, which should be submitted to the Governing Council for its consideration at its twenty-second session;

5. *Encourages* Governments to provide technical and financial support for the process outlined in paragraph 4 of the present resolution;

6. *Requests* the United Nations Human Settlements Programme to assist interested Governments in adapting the guiding principles and any guidelines adopted by the Governing Council to their national contexts, where appropriate;

7. *Also requests* the United Nations Human Settlements Programme further to develop tools and indicators as part of its support for the application of the guiding principles and guidelines referred to above;

8. *Invites* Governments to undertake further concerted and coordinated action to place the issue of access to basic services for all at the centre of their national development policies and to strengthen their legal and institutional frameworks to provide for the delivery of basic services;

9. *Requests* the Executive Director to include a discussion of the implementation of the present resolution in her overall progress report to the Governing Council at its twenty-second session.

7th plenary meeting
20 April 2007

Resolution 21/5: Sustainable development of Arctic human settlements

The Governing Council,

Recalling the Habitat Agenda[29] and its resolution 20/8 of 8 April 2005,

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[27] General Assembly resolution S-25/2, annex, paragraph 59.

[28] HSP/GC/21/2/Add.2, annex.

[29] *Report of the United Nations Conference on Human Settlements (Habitat II), Istanbul, 3–14 June 1996* (United Nations publication, Sales No. E.97.IV.6), chap. I, resolution 1, annex II.

Recognizing that human settlements in the Arctic region and their populations, in order to be sustainable, must address and meet special needs caused by severe climatic conditions, the low carrying capacity of the natural environment, the inability to resist pollution and the increasing burden imposed by the exploitation of the region's rich natural resources,

Noting the demographic trends of the population of the region in general and of indigenous peoples in particular,

Recognizing that adequate shelter and living conditions, and also access to basic services, are of primary importance among those needs,

Welcoming the initiatives undertaken by the Executive Director in promoting efforts to attain the Habitat Agenda goals in the Arctic region,

Welcoming also efforts undertaken by the Executive Director in establishing cooperation between the United Nations Human Settlements Programme and the regional research network of the Global Resource Information Database in Arendal, Norway (GRID-Arendal) in raising awareness among the international community of the sustainable development challenges of the Arctic region, including those faced by the indigenous peoples,

Noting with appreciation the work done by the Sustainable Development Working Group of the Arctic Council, in particular the Arctic Human Development Report,[30]

Noting also the need for increased exchange of action-focused information between the United Nations Human Settlements Programme and the Arctic Council and other regional and international relevant players designed to promote the sustainable development of human settlements in the Arctic region,

1. *Requests* the Executive Director to continue and expand efforts in the establishment of United Nations Human Settlements Programme partnership relations across the United Nations system, and also with other regional stakeholders, including existing networks of circumpolar cooperation, for the promotion of the Habitat Agenda in the sustainable development of human settlements in the Arctic region;

2. *Also requests* the Executive Director to apply for observer status for the United Nations Human Settlements Programme at the Arctic Council, with the aim of strengthening collaboration and coordination with the Council, acting within the frameworks for action formulated by the Arctic Council as the leading regional actor and priorities set by the countries concerned, in order to avoid duplication of work;

3. *Invites* the Executive Director to harmonize existing close collaboration with the United Nations Environment Programme regarding the interdependence of the human habitat and the fragile ecosystems in the Arctic region;

4. *Encourages* the Executive Director to continue efforts to implement Governing Council resolution 20/8 and to review relevant research results, current projects and other data on living conditions, local governance and management in human settlements in the Arctic region, with a view to informing and guiding future actions by the United Nations Human Settlements Programme;

5. *Invites* interested Governments and other interested stakeholders to provide the necessary resources for the United Nations Human Settlements Programme to implement the present resolution in full cooperation with other United Nations organizations;

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[30] Available through www.svs.is/AHDR/.

6. *Requests* the Executive Director to submit a report on the implementation of the present resolution to the Governing Council at its twenty-second session.

7th plenary meeting
20 April 2007

Resolution 21/6: Urban youth development

The Governing Council,

Fully aware that a high proportion of the world's population is young, especially in the developing world, and that that segment of the population is inordinately affected by the problems of unemployment and unsustainable urban development,

Also fully aware of the immense potential of youth between the ages of 15 and 24 in developing countries to contribute to social development if afforded the right opportunities,

Noting therefore that positioning young people at the centre of urban development strategies is critical to solving the problems of human settlements in developing countries,

Having in mind rural-urban linkages and noting the dynamic, cyclical movements between rural and urban areas by young people,

Recalling its commitment in paragraph 45 (e) of the Habitat Agenda[31] to the objective of "working in partnership with youth in order to develop and enhance effective skills and provide education and training to prepare youth for current and future decision-making roles and sustainable livelihoods in human settlements management and development",

Also recalling its resolutions 19/13 of 9 May 2003 and 20/1 of 8 April 2005 inviting Governments and other partners to support and implement enabling strategies for young people, in particular young women, to promote their involvement and participation in local and national governance related to human settlements development,

Acknowledging the strategy entitled "UN-Habitat and youth: strategy for enhanced engagement",[32] which states the objective of working with youth as "to provide an integrated approach to urban youth development which will mainstream a focus on youth in the normative and operational activities of UN-Habitat and will ultimately strengthen the impact of its work in reducing urban poverty",[33]

Taking note of General Assembly resolution 60/2 of 6 October 2005 on policies and programmes involving youth and acknowledging the *World Development Report 2007: Development and the Next Generation*, prepared by the World Bank, which explores ways of broadening opportunities for young people to develop their human capital,

Keeping in mind the important role of the young generation as the bearer of continuity and institutional memory of the experience accumulated by Governments and the United Nations Human Settlements Programme in the sphere of urbanization,

Cognizant of the 2006–2007 work programme of the United Nations Human Settlements Programme and the Medium-term Strategic and Strategic Plan for 2008–2013 and their strengthened focus

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[31] *Report of the United Nations Conference on Human Settlements (Habitat II), Istanbul, 3–14 June 1996* (United Nations publication, Sales No. E.97.IV.6), chap. I, resolution 1, annex II.

[32] HSP/GC/20/2/Add.5.

[33] Ibid., para. 19.

on mainstreaming youth in the normative and operative programmes of the United Nations Human Settlements Programme,

1. *Requests* the Executive Director to establish a special fund within the United Nations Habitat and Human Settlements Foundation, to be designated the "Opportunities Fund for Urban Youth-led Development", to support youth-led initiatives in pursuance of the Habitat Agenda, the work programme of the United Nations Human Settlements Programme and overall strategy within the following areas:

(a) Mobilizing young people to help strengthen youth-related policy formulation;

(b) Building the capacities of Governments at all levels, non-governmental and civil society organizations and private-sector entities to ensure a better response to the needs and issues of young people;

(c) Supporting the development of interest-based information and communication-oriented networks;

(d) Piloting and demonstration of new and innovative approaches to employment, good governance, adequate shelter and secure tenure;

(e) Sharing and exchange of information on best practices;

(f) Facilitating vocational training and credit mechanisms to promote entrepreneurship and employment for young women and men, in collaboration with the private sector and in cooperation with other United Nations bodies and stakeholders;

(g) Promoting gender mainstreaming in all activities of urban youth;

2. *Requests* the Executive Director to target support from the special fund to those young people who need assistance the most, in particular the most vulnerable in urban slums;

3. *Also requests* the Executive Director to establish an advisory committee which would develop criteria for the operation of the special fund and for mainstreaming youth issues in the work of the United Nations Human Settlements Programme, whose membership would comprise senior managers of the United Nations Human Settlements Programme, contributing donors and youth representatives, both male and female;

4. *Further requests* the Executive Director to mainstream age-related instruments in the overall work programme of the United Nations Human Settlements Programme based on the recommendations of the Advisory Committee and in line with the United Nations Human Settlements Programme's Medium-term Strategic and Institutional Plan for 2008–2013;

5. *Requests* the Executive Director to encourage contributions from multilateral agencies, Governments, the private sector and civil society for the establishment of the special fund;

6. *Also requests* the Executive Director to undertake an evaluation of the operation of the special fund and to submit a report thereon to the Governing Council at its twenty-third session;

7. *Further requests* the Executive Director to report to the Governing Council at its twenty-second session on progress made in the implementation of the present resolution;

8. *Invites* Governments, through regional ministerial conferences on housing and urban development such as those of the Africa, Asia and Pacific, and Latin America and the Caribbean regions to take into consideration the significant role of youth in sustainable urbanization and urban development by promoting youth-centred policies.

7th plenary meeting
20 April 2007

Resolution 21/7: Sustainable public-private partnership incentives for attracting large-scale private-sector investment in low-income housing

The Governing Council,

Recalling paragraphs 187 and 188 of the Habitat Agenda,[34] which note that funds to finance shelter and settlements development mainly come from domestic sources and that effective partnerships between the public and private sectors should be promoted through a combination of local taxes and fiscal incentives,

Taking note with appreciation of the report of the Executive Director on the dialogue on the special theme for the twenty-first session of the Governing Council: sustainable urbanization: local action for urban poverty reduction with an emphasis on finance and planning,[35] which emphasizes the importance of public-private partnerships on poverty reduction, and taking note in particular of paragraph 37 of the aforementioned report, which states that public-private partnerships have the potential to contribute to reducing urban poverty by catalysing market activities to create growth and employment on a wider scale,

Noting that catalysing partnerships between local and national governments on the one hand and local governments and the private sector on the other must in that process focus attention on community participation to maximize results,

Cognizant that the housing sector in many developing countries and countries with economies in transition is characterized by a low level of urban home ownership, a lack of affordable and decent rental housing options and expensive and inappropriate dwelling units, including slums and squatter settlements,

Acknowledging that housing and related infrastructure is one of the principal sectors that can revitalize and sustain economic growth and development, employment creation and poverty reduction,

Acknowledging also that the formal private-sector housing market in most developing countries and countries with economies in transition mainly caters for upper-middle and high-income groups, leaving households in the lower-middle and lower income brackets unserved,

Bearing in mind the inadequate supply of rental housing and that the vast majority of urban dwellers, particularly in developing countries and countries with economies in transition, cannot afford to buy their own homes because of high house prices and the high cost of loans,

Bearing in mind also that public-sector funding and direct provision of housing has been declining as a result of the scarcity of financial resources,

Emphasizing that to address the situation, government action in terms of deliberate policies and interventions to create an enabling environment, particularly for the private sector, to facilitate the realization of affordable and decent housing for all is required,

1. *Calls upon* Governments, particularly in developing countries and countries with economies in transition, to encourage and catalyse private-sector participation in the provision of infrastructure and affordable housing, particularly through incentives, enabling policies and legislation;

2. *Invites* Governments, particularly in developing countries and countries with economies in transition, to implement measures to revitalize and energize housing markets so as to generate sufficient domestic resources for the supply of affordable and decent housing for low-income groups;

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[34] *Report of the United Nations Conference on Human Settlements (Habitat II), Istanbul, 3–14 June 1996* (United Nations publication, Sales No. E.97.IV.6), chap. I, resolution 1, annex II.

[35] HSP/GC/21/3.

3. *Invites* Governments at all levels and local authorities, particularly in developing countries and countries with economies in transition, to promote policies that enhance the integration of the private sector into housing programmes in urban and rural areas as well as into improving existing housing and related infrastructure in an affordable manner;

4. *Urges* Governments, particularly in developing countries and countries with economies in transition, to enhance the contribution of the housing sector to national economic growth, wealth creation, employment generation and poverty reduction in line with the Millennium Development Goals;[36]

5. *Requests* the Executive Director, in consultation with Governments, to promote the use of incentives and market measures as a sustainable partnership strategy for attracting private-sector investment and resources into affordable housing on a scale large enough to impact significantly the livelihoods of low-income households;

6. *Also requests* the Executive Director to work with Governments to encourage and promote the mobilization of domestic and international financial resources for supporting private-sector investment in affordable housing;

7. *Further requests* the Executive Director to report to the Governing Council at its twenty-second session on the progress made in the implementation of the present resolution and to promote the sharing of experiences and best practices gathered from the implementation of the present resolution.

7th plenary meeting
20 April 2007

Resolution 21/8: Africa fund/financing mechanism on slum prevention and upgrading

The Governing Council,

Recalling its resolution 20/2 on the establishment of the African Ministerial Conference on Housing and Urban Development, in which the Executive Director of the United Nations Human Settlements Programme was requested to inform the Governing Council at its twenty-first session on the progress made by the African Ministerial Conference on Housing and Urban Development and to report on the implications which the outcomes of the Conference may have for the programme of work and the budget of the United Nations Human Settlements Programme,

Recalling also the Durban Declaration on the Establishment of the African Ministerial Conference on Housing and Urban Development[37] and the adoption by that body of the Enhanced Framework for the Implementation of Sustainable Housing and Urban Development in Africa[38] and, at its Special Ministerial Conference, of the Framework Memorandum and a Programme of Action for the Mobilization of Governments and Institutions on Slum Prevention and Upgrading,[39]

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[36] General Assembly resolution 60/1, paragraph 17: "...the development goals and objectives agreed at the major United Nations conferences and summits, including those agreed at the Millennium Summit that are described as the Millennium Development Goals ..." See also General Assembly resolution 55/2.

[37] Reproduced in document HSP/GC/20/INF/8, annex I.

[38] Ibid., annex II.

[39] Available at www.housing.gov.za/amchud/Content/Framework%20and%20poa%20for%20mobilisation.doc. See also document HSP/GC/21/2, paragraph 17, on progress in respect of Governing Council resolution 20/2.

which together set forth the institutional agreements to fulfil Goal 7, Target 11 of the Millennium Development Goals,[40]

Acknowledging that many countries in Africa lack adequate financing mechanisms and institutional abilities for slum prevention and upgrading,

Taking note of the need to scale up the construction of new housing, increase land availability and assure tenure rights,

Acknowledging the good cooperative spirit and political will thus far demonstrated by the first Bureau of the African Ministerial Conference on Housing and Urban Development and its executive secretariat in conducting the business of the conference during its first two years of existence in the absence of dedicated resources,

Considering that an earmarked fund/financing mechanism could serve as a next step in catalysing African countries to increase the share of national budgets allocated for housing and urban development,

Taking note of the emergence of regional organizations like the African Ministerial Conference on Housing and Urban Development in other parts of the world as instruments supporting the effective implementation of Millennium Development Goal 7, target 11, and the broader urban development agenda of the United Nations Human Settlements Programme,

Acknowledging the momentum generated by the emergence, over the past few years, of the African Ministerial Conference on Housing and Urban Development as a manifestation of political will to support the New Partnership for Africa's Development (NEPAD) and the idea spearheaded by the African Union of an African renaissance,

Convinced that that political will must translate into resource commitments by African Governments themselves if the productivity of livelihood–making activities by Africa's urban poor is to be enhanced,

1. *Takes note* of the proposal by the African Ministerial Conference on Housing and Urban Development to establish an earmarked Africa fund/financing mechanism for participatory slum prevention and upgrading, to be administered by the United Nations Human Settlements Programme in collaboration with the executive secretariat of the African Ministerial Conference on Housing and Urban Development, which will focus primarily on building communities, would be supported by the international community and would be targeted on facilitating and spearheading new and existing pilot projects, including Slum Upgrading Facility pilot projects, in order to develop the ability of members of the Conference to scale up such projects, in line with the intention of the Conference to prevent further slum development, to upgrade those that are in extremely dangerous condition and to support the critical elements identified by the Conference: research; identification of best practices; establishment of monitoring systems on meeting slum targets; and dissemination of lessons learned into the development of more effective urban development policies and strategies;

2. *Invites* the executive secretariat of the African Ministerial Conference on Housing and Urban Development, in consultation with the members of the Conference, to prepare a comparative feasibility study on the establishment of an African Fund for Slum Prevention and Upgrading for consideration by the Conference in 2008;

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[40] General Assembly resolution 60/1, paragraph 17: "...the development goals and objectives agreed at the major United Nations conferences and summits, including those agreed at the Millennium Summit that are described as the Millennium Development Goals ..." See also General Assembly resolution 55/2.

3. *Requests* the Executive Director, in keeping with Governing Council resolution 20/2, to provide technical support to the executive secretariat of the African Ministerial Conference on Housing and Urban Development in the preparation of the aforementioned feasibility study and to ensure adequate coordination and complementarity between the proposed African Fund and other financial instruments, including those administered by the United Nations Human Settlements Programme;

4. *Encourages* the African Ministerial Conference on Housing and Urban Development and the United Nations Human Settlements Programme to assess the requisite level of domestic resources and institutional abilities to provide the seed capital and programmatic support which would catalyse and mobilize support from the international community;

5. *Calls on* African Governments, the international community, States members of the Governing Council of the United Nations Human Settlements Programme and the donor community to give their full support to the feasibility study on the establishment of a fund/financing mechanism for scaling up delivery on slum prevention and upgrading, and to its eventual follow-up;

6. *Requests* the Executive Director of the United Nations Human Settlements Programme to submit a similar concept to the ministerial conferences on housing and urban development of the Asia-Pacific and the Latin America and the Caribbean regions;

7. *Also requests* the Executive Director of the United Nations Human Settlements Programme to report on the implementation of the present resolution at the Governing Council at its twenty-second session and also on the implications which it may have for the programme of work and budget of the United Nations Human Settlements Programme.

7th plenary meeting
20 April 2007

Resolution 21/9: Women's land and property rights and access to finance

The Governing Council,

Recalling the Convention on the Elimination of All Forms of Discrimination Against Women,[41] which entered into force on 3 September 1981,

Recalling also the linkage between the Habitat Agenda,[42] the Beijing Platform for Action[43] and the United Nations Millennium Declaration,[44] which recognize the importance of land, housing and property to women's livelihoods,

Recalling further its resolution 19/16 of 9 May 2003 on women's roles and rights in human settlements development and slum upgrading, especially its request to Governments to promote credit schemes for shelter and income-generating activities that are affordable to poor women, in particular those affected by HIV/AIDS,

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[41] General Assembly resolution 34/180, annex, 18 December 1979.

[42] *Report of the United Nations Conference on Human Settlements (Habitat II), Istanbul, 3–14 June 1996* (United Nations publication, Sales No. E.97.IV.6), chap. I, resolution 1, annex II.

[43] *Report of the Fourth World Conference on Women, Beijing, 4–15 September 1995* (United Nations publication, Sales No. E.96.IV.13), chap. I, resolution 1, annex II.

[44] General Assembly resolution 55/2, 8 September 2000.

Bearing in mind paragraph 20 of the United Nations Millennium Declaration and paragraph 58 (e) of the 2005 World Summit Outcome[45] by which the world's leaders resolved to promote gender equality and the empowerment of women as effective ways of combating poverty, and of ensuring equal access of women to productive assets and resources, including land, credit and technology,

Mindful of the important role of partnerships in the Medium-term Strategic and Institutional Plan of the United Nations Human Settlements Programme[46] and the contribution of the Huairou Commission, Slum Dwellers International and other women partners in mobilizing grassroots women's organizations to participate actively in the work of the United Nations Human Settlements Programme and in gender mainstreaming,

Stressing the need for concerted action at all levels to attain the internationally agreed development goals and targets on water and sanitation, slum upgrading and slum prevention,

Emphasizing that women form the majority of the urban poor, especially those living in slums,

1. *Requests* the Executive Director, in implementing the Habitat Agenda, to promote access to finance by low-income women, either as individuals, in cooperatives or in other associated forms, as a major contribution to the overall implementation of the Habitat Agenda and to urban poverty reduction;

2. *Also requests* the Executive Director, in implementing the Habitat Agenda, to develop a gender action plan with gender-specific performance indicators to ensure concrete, measurable gains for the realization of gender equality and women's empowerment;

3. *Urges* Governments and their development partners to support women's land access trusts, housing cooperatives and other women's organizations, including grassroots organizations, working on land, housing and housing finance to realize women's access to land, housing, housing finance, and security of tenure;

4. *Requests* the Executive Director to report on the implementation of the present resolution in her progress report to the Governing Council at its twenty-second session.

7th plenary meeting
20 April 2007

Resolution 21/10: Strengthening the Habitat and Human Settlements Foundation: experimental financial mechanisms for pro-poor housing and infrastructure

The Governing Council,

Recalling General Assembly resolution 56/206 of 21 December 2001 in which the General Assembly, inter alia, encouraged the Executive Director of the United Nations Human Settlements Programme to strengthen the United Nations Habitat and Human Settlements Foundation in order to achieve its primary operative objective, as set out in General Assembly resolution 3327(XXIX) of 16 December 1974,

Recalling also its own resolution 19/11 of 9 May 2003 in which it requested the Executive Director to continue to work with the World Bank Group, regional development banks, other development banks, the private sector and other relevant partners to field-test approaches through pilot projects, and its

[45] General Assembly resolution 60/1, 16 September 2005.

[46] See Governing Council resolution 21/2, para. 1.

resolution 20/18 of 8 April 2005 in which it called upon the Executive Director to strengthen the Foundation's Slum Upgrading Facility,

Recalling further General Assembly resolution 61/206 of 18 December 2006 in which the General Assembly noted the Secretary-General's bulletin on the special annex for the United Nations Habitat and Human Settlements Foundation[47] appended to the financial regulations and rules of the United Nations[48] and requested the Governing Council to address, in a comprehensive manner, any issues relating to the United Nations Habitat and Human Settlements Foundation at its twenty-first session, bearing in mind the need to effectively mobilize resources for the Foundation,[49]

Taking note of the Secretary-General's bulletin on the financial regulations and rules,

Recognizing its responsibilities to issue policy directives with a view to ensuring that the resources of the Foundation are utilized with maximum efficiency and effectiveness in pursuance of the Foundation's objectives,

Conscious of paragraph 56 (m) of the 2005 World Summit Outcome,[50] which calls upon Member States of the United Nations to achieve significant improvement in the lives of at least 100 million slum-dwellers by 2020, recognizing the urgent need for the provision of increased resources for affordable housing and housing-related infrastructure, prioritizing slum prevention and slum upgrading, and to encourage support for the Foundation and its Slum Upgrading Facility,

Taking note of rule 305.3.5 of the special annex, on policy, system and procedures,

Taking note also of the note by the Executive Director on the United Nations Habitat and Human Settlements Foundation: a policy framework and draft operational procedures and guidelines,[51]

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1. *Requests* the Executive Director to continue the work of strengthening the Foundation so as to accelerate the provision of finance for the mobilization of seed capital, domestic and other financial resources for shelter and related infrastructure with due priority to the needs of low-income households;

2. *Also requests* the Executive Director to establish a trust fund within the Foundation to support the introduction of experimental reimbursable seeding operations as described in subparagraph 7 (d) (iv) of the present resolution, as well as other innovative financial mechanisms, building upon the experiences with instruments and partnership networks such as the Water and Sanitation Trust Fund and the Slum Upgrading Facility, for a four-year experimental period from 2007 to 2011, and further requests the Executive Director to submit for the consideration of the Committee of Permanent Representatives proposed operational procedures for such experimental activities, taking into consideration the relevant elements of the draft operational procedures and guidelines;[52]

3. *Decides* that consideration of HSP/GC/21/5/Add.3 is subject to a thoughtful review of the final evaluation by the Governing Council at its twenty-third session, in 2011, of the experimental activities conducted in accordance with paragraph 7 (g) of the present resolution, and an analysis of

[47] ST/SGB/2006/8.

[48] ST/SGB/2003/7.

[49] General Assembly resolution 61/206, para. 1.

[50] General Assembly resolution 60/1.

[51] HSP/GC/21/5/Add.3.

[52] Ibid.

required risk assessments, including resource implications of the proposed mechanisms in that document and other activities tested during the experimental period;

4. *Decides* that further extension of the implementation of other aspects of the financial regulations and rules shall be subject to consideration by the Governing Council of the United Nations Human Settlements Programme at its twenty-third session;

5. *Reiterates* the request by the General Assembly in paragraph 12 of its resolution 61/206 that UN-Habitat intensify coordination in the framework of the United Nations Development Assistance Framework and the common country assessment to continue to work with the World Bank, regional development banks, other development banks, regional organizations and other relevant partners to field-test innovative policies, practices and pilot projects in order to mobilize resources to increase the supply of affordable credit for slum upgrading and other pro-poor human settlements development in developing countries and in countries with economies in transition;

6. *Appeals* to all Governments to contribute to the Foundation to broaden its funding base and to increase substantially its non-earmarked financial resources to enable the United Nations Human Settlements Programme to implement its full mandate, including technical assistance to strengthen the Foundation;

II

7. *Requests* the Executive Director, for the purpose of the implementation of the trust fund, to build on the following:

(a) Purpose:

(i) To field-test experimental reimbursable seeding operations and other innovative operations for financing for the urban poor for housing, infrastructure and upgrading through community groups, including where there is an expectation of repayments mobilizing capital at the local level;

(ii) To strengthen the capacity of local financial and development actors to carry out those operations and to support the capacity of the United Nations Human Settlements Programme to enhance those operations;

(b) Arrangements:

(i) Establish a trust fund for the financing of the experimental reimbursable seeding operations and other innovative operations within the Foundation specifically for the implementation of the experimental activities;

(ii) Establish a steering and monitoring committee of 12 to 14 persons appointed in consultation with the Committee of Permanent Representatives. Representatives of Governments, international financial institutions, United Nations bodies, the private sector and major non-governmental organizations may be invited as participants;

(c) Macro level:

Work with existing international financial institutions, relevant United Nations bodies, other operators and relevant stakeholders, looking at preconditions for finance arrangements;

(d) Methodology:

(i) Partnership arrangements between national Governments, local authorities,

community groups and financial intermediaries with which there are agreements for term repayment to the trust fund;

(ii) The experimental activities are different from the current Slum Upgrading Facility and Water and Sanitation Trust Fund arrangements in that some of the activities of the former are reimbursable whereas the latter are only given as grants;

(iii) The experimental reimbursable seeding activities shall be extended through intermediaries but shall exclude borrowing, direct lending, guarantees or equity investments;

(iv) Having a working operations manual to describe the processes for different reimbursable seeding operations and other innovative finance mechanisms in consultation with the Committee of Permanent Representatives and the Steering and Monitoring Committee;

(v) Taking into account a balanced regional approach;

(e) Analysis:

(i) Look at options and different partnership arrangements, including with Governments, local authorities, international financial institutions, relevant United Nations bodies, the private sector and major non-governmental organizations;

(ii) Look at costs of operations, defaults, targeting, debt service, interest rates and currency exchange risk to assure proper risk management and to enhance local markets;

(f) Collaboration:

Collaboration, complementarity and partnership would be the key arrangements from the beginning;

(g) Evaluation:

External evaluations will be undertaken of the activities of the sector, including to evaluate progress on the implementation of the experimental reimbursable seeding operations and other innovative mechanisms and to assess alternatives for more effective implementation;

(h) Administration:

Separate necessary administrative and financial arrangements will govern the operations of the experimental activities of seed capital operations and other innovative mechanisms as described in the relevant regulations and rules of the Foundation;

(i) Continuity/steps forward:

At the end of the experimental activities, in 2011, an evaluation will be conducted which will guide any decision by the Governing Council at its twenty-third session on potential future applications of the experimental methodologies;

8. *Also requests* the Executive Director to report to the Governing Council at its twenty-second session on the implementation of the present resolution.

7th plenary meeting
20 April 2007

Annex II

Message from the Secretary-General of the United Nations, Mr. Ban Ki-moon, to the Governing Council of the United Nations Human Settlements Programme at its twenty-first session

1. This year marks a milestone in human history: for the first time, half of the world's people will be living in towns and cities. That percentage is projected to rise dramatically in the decades ahead, especially in the cities of the developing world.

2. Urban poverty should be unacceptable in the new urban era. Yet this will also be the year in which the number of slum dwellers worldwide is forecast to reach 1 billion.

3. As we continue our efforts to reform and revitalize the United Nations, one of our abiding priorities must be to alleviate poverty. More concerted international support is needed if we are to achieve the Millennium Development Goal of improving the lives of 100 million slum dwellers by 2020. Failure would risk massive social exclusion, with national and international repercussions.

4. Another compelling reason to improve living conditions in our towns and cities is to reduce their impact on climate change. An estimated 75 per cent of global energy consumption occurs in cities, and 80 per cent of greenhouse gas emissions come from urban areas. It is no coincidence that climate change has become a leading concern as the world becomes predominantly urban. Moreover, the urban poor are most vulnerable to the natural disasters made more frequent by climate change patterns, since they tend to live in unsafe places that are typically prone to disaster.

5. I saw some of this at first hand this past January, when I visited the sprawling Kibera slum in Nairobi. I witnessed the depth of urban poverty and heard about the complexities of addressing the challenges. Slum dwellers themselves have resources, but lack access to affordable credit systems. Municipalities have land, but no capital to invest. Banks have liquidity, but no mechanisms to lend to the poor. I had the clear sense that time is not on our side.

6. I am very encouraged that the Governing Council of UN-Habitat is looking at these issues. I look forward to learning of the results of your discussions on a new Medium-term Strategic and Institutional Plan and on mechanisms such as the United Nations Habitat and Human Settlements Foundation, for which new financial regulations and rules were promulgated last August. It is my hope that your efforts will strengthen UN-Habitat and enable it to work more effectively with your partners towards truly sustainable urbanization. Please accept my best wishes for the success of your important deliberations.

Annex III

Summaries of opening statements

A. Statement by Ms. Anna Tibaijuka, Executive Director of UN-Habitat

1. Ms. Tibaijuka welcomed participants to Nairobi in her capacity as both Executive Director of UN-Habitat and Director-General of the United Nations Office at Nairobi. In particular, she welcomed the presence at the meeting of Mr. Mwai Kibaki, the President of Kenya, which was testament to his continued support of the work of UNEP and UN-Habitat. She congratulated Mr. Achim Steiner on his appointment as Executive Director of UNEP, and noted with satisfaction that cooperation between UNEP and UN-Habitat had been further strengthened since his arrival. She also congratulated Ms. Inga Björk-Klevby on her appointment as Deputy Executive Director of UN-Habitat.

2. She drew attention to the collaboration between UN-Habitat and the Kenyan Government under the joint Kenya Slum Upgrading Programme, and welcomed the fact that matters of housing finance and slum upgrading were being mainstreamed into government budgets. She recalled the recent visit of Mr. Ban Ki Moon, the United Nations Secretary-General, to the Kibera slum in Nairobi, which had signalled his solidarity with the more than 750,000 people living there and his support for the work of UN-Habitat. She pointed out that for the first time in history, in 2007 half of the world's population would be living in urban areas. Worryingly, the rate of slum formation was almost the same as that of urban growth, and the global number of slum-dwellers would reach one billion in 2007.

3. She drew attention also to the UN-Habitat Medium-term Strategic and Institutional Plan for the period 2008–2013, which had been formulated following an intensive process of consultations with member States and external partners. The Plan was designed to strengthen the role of UN-Habitat as a catalyst for the coordinated implementation of the Habitat Agenda and related Millennium Development Goals and was a package of strategic objectives and activities in support of the realization of the UN-Habitat mission and vision. The Plan recognized that sustainable urbanization required a participatory process and therefore encouraged increased alliance-building with member States, other United Nations agencies, programmes and funds and international and domestic financial institutions. Another important element of the Plan was its call for the introduction of a revolving fund mechanism.

4. She congratulated Shaikh Khalifa bin Salman al Khalifa, Prime Minister of the Kingdom of Bahrain since 1971, on winning the 2006 Special Citation of the Habitat Scroll of Honour Award. His policies for delivering sustainable development by fighting poverty had resulted in improved living conditions for all and had been identified as an example of best practices in good urban governance. UN-Habitat would be pleased to work with the Government of Bahrain in popularizing the approach and inviting others to emulate its good example.

B. Statement by Mr. Achim Steiner, Executive Director of UNEP

5. Mr. Achim Steiner, Executive Director of UNEP, noted that for the first time in the history of humankind, the majority of people were living in urban environments that rose high and spread far and offered to many the often illusory hope of an escape from poverty. The theme of sustainable urbanization at the current session of the Governing Council was of great importance to UNEP. In the collaboration between the two sister organizations, UNEP and UN-Habitat had started looking carefully, in the context of the "One UN" initiative and being headquartered in the same location, at the link between the human condition and the sustainability of the planet. Fruits of their collaboration included a joint strategic framework which was under development and aimed to further institutionalize their cooperation and a Global Environment Outlook city environment report for Nairobi, the preliminary outcomes of which

would be launched during the current session, providing an excellent example of collaboration between the United Nations and a local authority.

6. The link between sustainable development and the environment was, at last, being recognized although climate change was still seen as a distraction from basic needs. He stressed the importance of understanding the relationship between the environment and urbanization, noting that, for example, over 80 per cent of greenhouse gas emissions originated from urban centres. Choices made in the present day on issues such as urban planning, transport and social inequity would lock generations of people into the results of those choices. It was necessary, therefore, to seek to liberate future generations through appropriate choices for and effective management of urban areas in the present day.

7. He pointed to the need to revitalize the United Nations family with a sense of common purpose and stressed that the Governing Councils of UNEP and UN-Habitat should serve as the ultimate platform to address their common predicaments. He underlined the importance of realizing that decisions taken in cities affected people beyond city borders. The ecological footprints of urban areas were a challenge as well as an opportunity for planners, people and ecosystems and it was important to look at urbanization in the urban–rural context. There was a need for new and innovative technology in addressing the challenges of urbanization. He wished representatives a successful and productive session and stressed the commitment of both UNEP and UN-Habitat to their continued and future collaboration.

C. Message from Sheikh Khalifa bin Salman al Khalifa, Prime Minister of the Kingdom of Bahrain

8. Mr. Fahmi Al Jowder, Minister of Works and Housing of Bahrain, thanked Kenya for the reception accorded to his delegation and conveyed greetings from the Prime Minister and people of the Kingdom of Bahrain. He read out a message on behalf of His Highness Sheikh Khalifa bin Salman al Khalifa, Prime Minister of Bahrain, in which the Prime Minister expressed appreciation to UN-Habitat for awarding him the 2006 Special Citation of the Habitat Scroll of Honour Award. Over 35 years of premiership, he had focused on economic and development programmes to eliminate the root causes of poverty through cooperation with the people. The UN-Habitat Special Citation was a gratifying and welcome indication that those efforts had been made in the right direction. Bahrain would be an interested and active participant in the Governing Council session and had valuable experience to share on policies on shelter, social development and good urban governance, which were all essential for achieving development goals. Bahrain had considerable experience in, among other things, housing finance systems. Sheikh Khalifa believed that UN-Habitat was equal to the challenge of providing equitable shelter for all and that the current session would result in solutions to the challenges which the world faced in that area.

D. Statement by Mr. Mwai Kibaki, President of the Republic of Kenya

9. President Kibaki welcomed participants to the session, expressing pleasure that the theme was sustainable urbanization with a focus on local action and that the emphasis would be on finance and planning, which were crucial to the sustainable development of urban centres, where inadequate financing and capacity over the years were the greatest challenges to effective action. The special theme also recognized that the world was rapidly urbanizing, with urban populations growing rapidly as the young migrated to towns and cities. Given the high rate of population movement, the world's largest cities were to be found in developing countries. The challenge was to manage that growth sustainably and tackle the problems of affordable and adequate housing. Informal settlements were spreading without planning and lacked proper sanitation, basic facilities and social infrastructure such as schools and policing and had limited employment opportunities. The cumulative effect of those negative factors was that migrants from rural areas experienced even greater deprivation than they had faced before they had migrated and were

more vulnerable to crime and insecurity, resulting in an enduring urban underclass with all its attendant problems.

10. Sustainable urbanization included the ability of local authorities to provide adequate services. The lack of clean water, effective solid waste management and sanitation, affordable housing schemes and efficient mass transportation systems was often attributed to weak and poorly financed local governments. Central governments were often forced to intervene, but the measures they took were only temporary and did not afford lasting solutions. City dwellers themselves must be involved in addressing those issues and ensuring that local authorities were held accountable by residents and business communities. Strong and effective partnerships must be developed between local governments, residents and the business community, and urban authorities needed to develop reliable sources of revenue and to attract and retain highly qualified staff to plan the future needs of urban centres.

11. He outlined some of the measures being taken in Kenya to address the challenges of urbanization and ensure that it was managed in a sustainable way. The Government, jointly with UN-Habitat and other partners, had initiated a number of measures to ensure sustainable urbanization, notably the Kenya Slum Upgrading Programme, which envisaged an improvement in the livelihoods of 5.4 million people in urban centres throughout the country at a cost of over $12 billion over 13 years. The Government had established a Low-cost Housing and Infrastructure Fund to pool resources from the Government and the private sector. The Government had contributed $7 million annually over the past two financial years and would double that amount in the coming year. Work was under way on 600 housing units in Nairobi's slum area of Kibera, water and sanitation was being upgraded at Soweto Village in Nairobi, and similar work was going on in Mombasa and Kisumu. Kenya's slum upgrading strategy also spelled out measures to be undertaken to prevent the development of new slums, which required an urban planning strategy. A draft sessional paper on land policy was being submitted to Parliament during its current session. The Government recognized that local authorities had a central role to play and had taken measures to enable the consultation and participation of local people in setting development priorities and in budgetary processes.

12. He expressed the hope that the exchange of ideas and best practices at the current session of the Governing Council would contribute to improving responses to the rapid urbanization across the world and acknowledged the support of UNEP and UN-Habitat to that end. He thanked the United Nations for elevating the Nairobi office to the level of other United Nations offices and welcomed the Secretary-General's decision to support UN-Habitat in the assistance it was giving in the upgrading of Kibera slum.

Annex IV

Panel discussion: financing affordable housing and infrastructure in a reformed United Nations

1. Introducing the panel, the Chair, Ms. Björk-Klevby, Deputy Executive Director of UN-Habitat, noted that financing was an important theme at the twenty-first session. The Medium-term Strategic and Institutional Plan called for ongoing and increasing alliance-building with all those partners that were committed to making a difference, including financial institutions. The General Assembly had requested the Governing Council to revitalize the Foundation, including through the involvement of domestic actors, and the organization had embarked on strategic partnerships in that regard. Finance and development partners were seeking innovative collaboration in the pursuit of poverty reduction. Panellists had been invited to speak on collaborative and innovative efforts in this area to provide input for deliberations to be held during the session.

2. Mr. Mandla Gantsho, Vice-President of the African Development Bank, noted that in the development finance fraternity it had long been established that the foundation for poverty reduction and economic growth was the development of infrastructure. Priority areas where investment was needed were shelter and housing, job creation, education, health, safety and security and cultural development. The role of financial and development institutions was threefold – in catalytic financing, partnership development and knowledge-broking. The knowledge of the African Development Bank and its partners should be used to strengthen the hand of Governments in capacity-building. Partnerships should be mobilized to improve the spread of risks among the relevant partners, to involve communities and harmonize interventions. Innovative responses were needed in the design and monitoring of solutions and in giving access to financing to the poor. It was necessary to understand the priorities of the poor, such as gainful employment, and to address them so that the poor could then solve the issue of shelter and housing for themselves. Local capital markets should be developed and partnerships promoted to create employment, and housing construction should make use of local and indigenous materials.

3. Mr. Woochong Um, Director, Asian Development Bank, said that although the Bank's areas of focus had shifted over the years, its overarching objective had always been poverty reduction. In 2002 it had developed a revised poverty reduction strategy, with the main objectives of catalysing investment for urban infrastructure development. The Bank had adopted a long-term strategic and programming approach to its activities, and innovations included local-currency financing and sub-sovereign lending. The Bank attached great importance to the formation of effective partnerships. Accordingly, the Asian Development Bank had been collaborating with UN-Habitat in a number of areas, particularly through the Water and Sanitation Trust Fund and on the Water for Asian Cities programme. The Asian Development Bank was involved with the Asia-Pacific Water Forum in the organization of the first Asia-Pacific Water Summit, to be held in Japan in December 2007.

4. Mr. Larry Hannah, Lead Economist for the Europe and Central Asia region, World Bank, focused on the history of collaboration between the World Bank and UN-Habitat, the trends affecting the agenda established for the twenty-first session and how they had influenced the work of the Bank and financing affordable housing and infrastructure. The World Bank had started work on sustainable urbanization in the early 1970s and had initiated its collaboration with UN-Habitat – a relationship based on complementarity rather than competition – in the mid-1980s, including through the Water and Sanitation Trust Fund, the Urban Management Programme, the Housing Indicators Programme and, perhaps most successfully, their joint sponsorship of the Cities Alliance. The profile of urban issues had been raised throughout the work of the World Bank. The Bank had started to examine the role of cities and local authorities in climate change. He described crucial aspects in addressing the financing of affordable housing – property rights, the financial sector, local government and housing policy – and stressed the importance of collaboration both within organizations and on the national and international levels.

5. Mr. Kibby Kirithi, Founding Director of Baraka Africa Equity Fund, Kenya, said that in his experience the main obstacle to affordable housing in Kenya was not a lack of domestic capital, but rather a shortage of housing supply. The challenge faced was to mobilize the available domestic capital markets for social investments and encourage developers to turn their attention to affordable housing. Stressing the importance of government involvement, for example through offering price incentives for the provision of affordable housing, he acknowledged the Kenyan Government's receptiveness in that regard. UN-Habitat had played a leading role in terms of facilitation and innovation and was one of the Equity Fund's key partners in that area.

6. Mr. Achim Steiner, Executive Director of UNEP, noted that much current urban development, particularly in developing countries, was taking place at a suboptimal level. The housing market, although often vibrant, was greatly lacking at the level of pro-poor affordable housing and there was a need to focus on policy and market failures to address the fact that institutional and sectoral policies had compartmentalized approaches that should rather be integrated. Despite the long-standing relationships between international financial institutions and the United Nations, their collaboration had often been inadequate. There was a need for complementary partnerships between institutions, Governments, non-governmental organizations, the private sector and private capital markets, among others, to address the issues of poverty and environmental sustainability. The way that environmental sustainability had been factored into urban development had been far from effective. Current policy advice for urban development was deficient in addressing the social and environmental dimensions. It was important to look at urban infrastructure development from the perspective of the poor. There were numerous poverty-oriented solutions, such as pedestrian paths and bicycle lanes on new dual carriageways or rainwater harvesting and energy efficiency for low-cost housing, which were simple and cheap and would greatly benefit the poor.

Annex V

Policy statement by Ms. Anna Tibaijuka, Executive Director of UN-Habitat, on agenda items 5, 6 and 8

1. Ms. Tibaijuka said that, in formulating the proposed programme and organization of work, efforts had been made to ensure a judicious balance between dialogue and decision-making. Three key substantive issues were on the agenda: the special theme of the current session of the Governing Council; the Medium-term Strategic and Institutional Plan for 2008–2013; and the 2008–2009 work programme and budget.

2. The special theme – Dialogue on sustainable urbanization: local action for urban poverty reduction with an emphasis on finance and planning – was a direct outcome of the third session of the World Urban Forum, held in Vancouver, Canada in June 2006. The theme paper before the Council gave an overview of current thinking and practice in participatory planning and human settlements finance. Innovative measures were needed to involve a wide range of actors in planning and investment to create value out of urban space.

3. The Medium-term Strategic and Institutional Plan had three components: a strategic component, an institutional component and a resource mobilization strategy. The UN-Habitat vision – "Sustainable urbanization through the Habitat Agenda" – was now well articulated in the plan. Drawing particular attention to the focus on innovative human settlements finance, she said that the proposed revision of operational procedures and guidelines had the potential to bridge the undeniable gap that existed in affordable housing and basic services for the poor through a more sustainable approach to financing. The plan contributed to United Nations system-wide institutional reform and coherence through its focus on results-based management and accountability.

4. As regards the resource mobilization strategy component of the plan, she thanked the donors who had made possible the fivefold increase in funding since UN-Habitat had become a Programme in 2002, though continuing weaknesses included the imbalance between earmarked and non-earmarked contributions and the unpredictability of funding. The strategy sought to address those problems by consolidating the current funding base, working towards a voluntary scale of assessed contributions and adopting a more robust communication strategy to enhance further the visibility of UN-Habitat.

5. A key activity under focus area 3 of the plan would be a campaign to promote national- and city-level action plans for the construction of decent affordable homes in all applicable countries. The campaign would engage partners, including the private sector, to mobilize funding to construct affordable housing at a rate that would close the gap in housing stock by 10 per cent a year between 2008 and 2013. As a first step, it was important for governments to mainstream pro-poor urban development in their national development plans and budgets. Where political will was shown, UN-Habitat would bring its expertise in community organization, capacity-building and policy advice.

6. The land issue was central to the instability and slow economic growth being experienced in many cities. To help address the complex dimensions of that issue, the UN-Habitat Global Land Tool Network needed to be further mainstreamed. She called upon member States to ensure that security of tenure was not denied to women through discriminatory inheritance rules. She also highlighted the vulnerability of the urban poor to climate change, and said that UN-Habitat would work closely with UNEP to build capacity for local action in that area.

7. In the 2008–2009 work programme and budget, an increase of $15 million was required to kick-start the implementation of the Medium-term Strategic and Institutional Plan. It was time for UN-Habitat to invest in its systems so that it could operate with full effectiveness and efficiency.

8. She stressed, however, that the theme, plan, work programme and budget were not ends in themselves but starting points on a path towards a more focused, coherent and aligned UN-Habitat.

Annex VI

Summaries by the President of the Governing Council of the high-level segment and of the dialogue on the special theme of the twenty-first session

A. Introduction

1. The high-level segment of the twenty-first session of the Governing Council of the United Nations Human Settlements Programme comprised four plenary meetings, held on 16, 17 and 18 April 2007. Discussions focused on the following issues: activities of UN-Habitat, including coordination matters (agenda item 5); dialogue on the special theme for the twenty-first session of the Governing Council (agenda item 6); and the Medium-term Strategic and Institutional Plan for UN-Habitat for the period 2008–2013 (agenda item 8).

B. Summary of the high-level debate on agenda items 5, 6 and 8

2. Many representatives expressed their deep appreciation to the Government and the people of Kenya for their hospitality in hosting the twenty-first session. Most representatives who spoke congratulated the President of the twenty-first session and the members of the Bureau on their election. Many representatives congratulated the Executive Director on her re-appointment as Executive Director of UN-Habitat and her appointment as Director-General of the United Nations Office at Nairobi and expressed their gratitude to her for her comprehensive policy statement. A number of representatives from developing countries expressed thanks for the support provided to their delegations to attend the twenty-first session of the Governing Council, and many described areas of collaboration with UN-Habitat in their countries and expressed their gratitude to the Executive Director and to her organization as a whole, including for the preparatory work for the current session of the Governing Council.

3. The representative of Sri Lanka thanked the Executive Director for her personal interest in his country's post-tsunami rehabilitation. The representative of Indonesia also expressed appreciation to UN-Habitat, donor countries and other international organizations for supporting the rehabilitation and reconstruction process in his country. The representative of the Democratic Republic of the Congo invited the Executive Director to visit his country to experience at first hand the urgency of the need for reconstruction. He also requested the support of UN-Habitat for his country's programme of demilitarization, demobilization and social reintegration currently being implemented, and for which housing would be required.

4. In that connection, a number of representatives drew attention to the need for further UN-Habitat involvement in addressing the challenge of developing sustainable human settlements in conflict-affected areas.

5. A number of representatives spoke of a new urban era in which half of humanity was living in urban areas and where informal settlements constituted the fastest-growing neighbourhoods of those cities and towns; an urbanized world, they said, implied both opportunities and challenges.

6. Several representatives noted the clear central responsibility of local and national governments to tackle the challenges of urbanization and stressed the importance of local and national Governments working together to meet local needs while delivering on national priorities. In that context, a representative of United Cities and Local Governments (UCLG) underlined the importance of adopting the draft guidelines on decentralization and the strengthening of local governments.

7. Several representatives emphasized the need to fulfil the commitments and targets agreed upon by the international community as a whole, including those related to adequate shelter for all and sustainable human settlements development in an urbanizing world. In that regard, several representatives called for the strengthening of the United Nations Habitat and Human Settlements Foundation. The representative of the European Union, however, urged that any strengthening of the Foundation should correspond to the role of the organization within the international aid architecture.

8. Several representatives expressed support for the strengthening of the United Nations Office at Nairobi as the headquarters of UN-Habitat and UNEP and the only United Nations headquarters located in a developing country.

9. A number of representatives stressed the importance of partnership as a leading principle in the work of UN-Habitat and highlighted the importance of coordination at the national, regional and international levels. They called for more effective and broader involvement of UN-Habitat partners, especially the private and public sectors, and more effective cooperation and coordination between UN-Habitat and other relevant United Nations agencies, including UNEP.

10. One representative said that his Government actively supported UN-Habitat activities on issues relating to the social development of Arctic human settlements and stressed the need to improve cooperation with other organizations in that area, particularly UNEP and the Arctic Council. Another representative welcomed the increased cooperation between UNEP and UN-Habitat but said that it should also include closer interaction between the Committees of Permanent Representatives of the two organizations. One representative noted the need to bring UN-Habitat closer to localities by strengthening its cooperation with countries.

11. One representative of a small island developing State expressed the hope that small island developing States would be mainstreamed in UN-Habitat projects and programmes and that one of the outcomes of the current session would be a commitment to continued support for the sustainable development of human settlements in such island States so as to ensure the implementation of those elements of the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States[53] which pertained to human settlements.

12. Many representatives welcomed the focus at the current session on the theme of sustainable urbanization: local action for urban poverty reduction, with emphasis on finance and planning. In that connection, support was expressed for the Executive Director's initiative to designate an international day for affordable housing. One representative, also expressing support for the Executive Director's initiative, announced that he would consult his Government on the possibility of holding such a day in his country.

13. The ministers of housing of India and the Islamic Republic of Iran drew attention to the first Asia-Pacific Ministerial Conference on Housing and Human Settlements, which had been held in New Delhi from 13 to 16 December 2006 in cooperation with UN-Habitat, and at which the Islamic Republic of Iran had been selected to host the second such conference, which would be held in Tehran in 2008.

14. A number or representatives expressed their support for the work programme and budget of UN-Habitat for the 2008–2009 biennium and also welcomed the Medium-term Strategic and Institutional Plan for 2008–2013 as the basis for strengthening UN-Habitat and as a significant milestone for the organization. Its specific focus areas were a positive development which would help to target the activities of the organization further. One representative welcomed in particular the strategic focus on the areas of effective advocacy, promotion of pro-poor land and housing policies and environmentally sound urban infrastructure.

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[53] *Report of the International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, Port Louis, Mauritius, 10–14 January 2005* (United Nations publication, Sales No. E.05.II.A.4 and corrigendum), chap. I, resolution 1, annex II.

15. A number of representatives noted that a strong Medium-term Plan would be crucial to ensuring a sharpened programmatic approach and to broadening the funding base of UN-Habitat and concluded that the Governing Council at its twenty-first session should therefore support the provision of the additional resources required for the 2008–2009 biennium to ensure meaningful delivery of the Medium-term Plan. In connection with the Plan, one representative stressed the importance of strengthening the pre-investment role of UN-Habitat. One speaker commended the Plan's focus on data and measurable results, which would lead to greater transparency. Another representative said, however, that the crucial role of women in local communities had not been adequately reflected in the plan. One representative, although expressing his overall support for the Plan, requested more information on, among other things, the ratio of resources to be allocated between the normative role and the operational activities of UN-Habitat; whether the Executive Director planned to establish an efficiency agenda for running costs and how efficiency targets would be realized and progress measured; how and when results-based management would be implemented; which partners UN-Habitat proposed to work with and clear arrangements for greater operational synergies. In addition, he suggested that further analysis and consultation was required before determining the nature of the role of UN-Habitat in financing.

16. A number of representatives suggested that securing predictable and adequate funding for UN-Habitat, including for the Medium-term Plan, should be based on a multi-year financing framework. One representative noted the need for mechanisms to be developed to reduce the reliance of the organization on unpredictable voluntary contributions and proposed, to that end, that States should consider maintaining or increasing their contributions and adopting multi-year pledges or contributions. In that regard, the representative of Norway said that her Government intended to increase its non-earmarked contribution for 2007 and 2008 from 15 to 25 million kroner, i.e., to the annual equivalent of over $4 million. The representative of Kenya announced that his country had pledged to increase its contribution from the current $50,000 to $60,000, starting in 2007–2008, for the following three years. The representative of Rwanda announced his Government's pledge to increase its annual contribution to $5,000, although its assessed contribution was only $400. The representative of the Russian Federation also announced an increase in his country's annual contribution, from $200,000 to $400,000, starting in 2007.

17. One representative expressed concern, however, that a large percentage of the UN-Habitat budget was allocated to consultancy work and workshops, leaving little for tangible projects that reached the targeted poor communities, and urged the Executive Director to monitor spending and ensure that funds were used for the benefit of the targeted countries and end users. He also noted with concern the increasing tendency of United Nations agencies to base their decisions on the allocation of resources to member States on political criteria.

18. With respect to the innovative funding mechanism, the Revolving Fund Account, enabled through the new rules and regulations promulgated by the Secretary-General, support was expressed by the representative of the Group of 77 and China for the initiation of an experimental, phased approach for Revolving Fund Account schemes at the country level. A number of other representatives also expressed support for the Account and proposed the establishment of an African fund for slum prevention and upgrading within UN-Habitat to catalyse increased official development assistance. One representative, noting that his Government had strong reservations with regard to the voluntary indicative scale of contributions, said that further clarification would be required before any decision could be made on the Revolving Fund Account. Another representative cautioned against proceeding too quickly with the launch of the revolving fund mechanism, and suggested that all alternatives should be investigated before the twenty-second session of the Governing Council, when the issue could be reconsidered. One representative supported testing the proposed experimental reimbursable seed-capital operations under the Slum Upgrading Facility and the Water and Sanitation Trust Fund.

19. Several representatives spoke in favour of the new enhanced normative and operational framework of UN-Habitat which, they said, was a necessary step forward for the attainment of UN-Habitat goals. The representative of the European Union stressed, however, that any envisaged expansion should be set

against a backdrop of the catalytic role played by the organization, its comparative advantages, limited resources and institutional capacity compared with other agencies and institutions. One representative stressed that the role of UN-Habitat in the area of human settlements was first and foremost a normative one and that the organization was well suited to help establish best practices and to provide a forum for dialogue and expertise. He also emphasized the organization's role in serving as a catalyst for action at the local level by providing technical advice and knowledge management. Another speaker urged UN-Habitat to focus more narrowly on consolidating its core programmes rather than on too many and too varied programmes.

20. Several representatives supported strengthening the capacity of the regional offices of UN-Habitat. One representative stressed the importance of expanding the regional strategies of UN-Habitat and developing both its regional and its national representation. In that connection, one representative welcomed the recent establishment of a Regional Office in his country.

21. The representative of the European Union noted that the activities of UN-Habitat should be seen and developed against the background of ongoing United Nations system-wide reform. Another representative encouraged UN-Habitat to actively engage in the "One UN" pilot programmes to learn lessons and find synergies with local organizations, other United Nations agencies, donors and non-governmental organizations. One representative expressed support for the recommendations of the United Nations Secretary-General's High-level Panel on United Nations System-wide Coherence and expressed the hope that UN-Habitat would be a strong contributor to the United Nations reform process, and another noted that the Medium-term Strategic and Institutional Plan could assist the United Nations reform process by highlighting the importance of cross-cutting issues in the "One UN" country programmes.

22. Several representatives commended the World Urban Forum as a constructive venue for the exchange of information and best practices. One representative noted that the World Urban Forum had made a significant contribution to mainstreaming the urban agenda and had a significant role to play in strengthening coordination of international support to implementation of the Habitat Agenda. Another representative expressed support for the establishment of a World Urban Forum Unit in the Office of the Executive Director.

23. One representative pointed to the increasing impact of climate change, an issue of particular significance in the urban context, on the international agenda: cities were both originators and victims of climate change. Another representative stressed the importance of cities diminishing their burden on the environment by limiting energy use and greenhouse gas emissions. One representative said that closer attention should be paid to the dynamics of climate change and urbanization, particularly with regard to disaster risk management.

24. The representative of Kenya proposed that the Governing Council at its twenty-first session should allocate a significant amount of the resources of the Foundation and/or the Slum Upgrading Facility for the provision of infrastructure in Kibera in Nairobi, reportedly the largest slum in Africa; further, it should establish a mortgage credit system and a business support system through cooperatives, microfinance institution systems and local service providers to scale up efforts to improve housing, water and sanitation in that informal settlement. Also on the question of slum upgrading, several representatives expressed their support for the proposed draft resolution to establish an Africa Fund/Finance Mechanism to address the slum target of the Millennium Development Goals in Africa.

25. One representative expressed support for the immediate formulation and implementation of the sustainable reconstruction and recovery strategy for displaced and vulnerable populations, focusing on persons affected by earthquakes and floods, and welcomed the establishment of the Central Emergency Relief Fund.

26. Many representatives described initiatives in their countries to address the challenge of sustainable urbanization, including local-level planning, financial and legislative reforms; implementation of slum upgrading activities and affordable housing projects; promotion of the adaptation and use of appropriate

building and construction materials and technologies; and job creation initiatives, among other things. Some representatives also mentioned that experiences in their countries could inform the development of UN-Habitat programmes in others. In that connection, several representatives of developing countries sought the financial and technical support of UN-Habitat and development partners to assist in implementing their housing and urban development policies, and one representative called on African countries to increase regional capacity-building and exchange of experiences.

27. Individual representatives expressed support for the implementation of the Bali Strategic Plan on Technology Support and Capacity-building as an opportunity for enhanced cooperation between UNEP and UN-Habitat. Other individual representatives expressed the following views: that the Habitat Programme Manager system had proved positive in enhancing the coherence and integration of UN-Habitat issues into national development policies and other processes at the national level; that adequate resources, training and geographical balance were crucial; that UN-Habitat should support the activities of the African Ministerial Conference on Housing and Urban Development; that increased financial and technical assistance were crucial for developing countries; and that there was a need to define the role of UN-Habitat further in promoting a global, national and local perspective on urban development, building on and strengthening its core competencies.

C. Summary of the dialogue on the special theme of the session under agenda item 6

28. The Governing Council took up the agenda item on Wednesday, 18 April 2007, at its 5th and 6th plenary meetings. The theme of the dialogue was sustainable urbanization: local action for urban poverty reduction, with an emphasis on finance and planning. The President of the Governing Council, Ms. Kumari Selja, opened the dialogue and handed the conduct of the first two segments of the dialogue over to the facilitator, Ms. Christine Platt, President, Commonwealth Association of Planners. The special theme was divided into three segments.

1. The role of planning in urban poverty reduction

29. Ms. Platt explained that the dialogue would focus on the role of planning in urban poverty reduction and financing pro-poor housing and urban development. She introduced the panellists for the first segment – Ms. Åslaug Marie Haga, Minister of Local Government and Regional Development, Norway; Mr. Lu Bing, Deputy Mayor, City of Nanjing, China; Mr. Jean-Pierre Elong Mbassi, Secretary-General, United Cities and Local Governments of Africa; and Mr. Wolfgang Frosch, Manager, BASF Social Foundation, Germany – and invited them to make brief presentations.

30. Ms. Haga stressed that sustainable urbanization could not be achieved in the absence of strong local authorities, which implied strong political and administrative structures. Local authorities must be open-minded and listen to the people whom they served, particularly the most vulnerable groups. It was a challenge for all countries to ensure both that the necessary formal structures for participation were in place and that dedicated citizens were involved. She pointed out that democracy was not only about participating in elections, but also about the period between elections. She pointed to the importance of having a clear division of labour between national, regional and local authorities, and the necessary financial resources being made available so that each level of government could fulfil the duties assigned to it. In that connection, she welcomed the fact that the draft guidelines on decentralization and the strengthening of local authorities were being presented for adoption by the Governing Council at the current session. Noting that the normative work carried out by UN-Habitat was an important first step in achieving sustainable urbanization, she concluded that it was now necessary to embark on implementation.

31. Mr. Lu gave an overview of the measures adopted in Nanjing to address the challenges of rapid urbanization, which included large-scale housing construction, the introduction of various innovative financial mechanisms and subsidy schemes. Noting that the fourth session of the World Urban Forum was

to be held in Nanjing in October 2008, he said he looked forward to further in-depth discussion on new models for urban development.

32. Mr. Frosch outlined the measures employed by BASF to ensure environmental, social and economic sustainability in its main areas of activity, which included the production of materials for housing construction and housing development. He drew attention to the company's home-ownership scheme, which allowed employees to buy affordable housing units from the company. The company then reinvested the revenue in upgrading old buildings or building new ones. He stressed the importance of stakeholder participation, public-private partnerships and the provision of incentives to the private sector by government. UN-Habitat could play an active and central role in sustainable urbanization by acting as a best-practice platform for the exchange of innovative models and success stories and by developing a management toolbox for urbanization projects.

33. Mr. Mbassi pointed to the difficulty of planning for many cities in developing countries whose populations doubled every 10 to 15 years. Planning systems had been unsuccessful in many cities in the developing world because they were based on experiences in developed countries and were therefore not adapted to local circumstances, most notably to the poorer sections of urban areas with lower levels of resources and institutional organization. He welcomed the fact that Governments had been invited at the third World Urban Forum to renew their planning tools and drew attention to six major challenges to be taken into account in so doing: urgency, investment, social inclusion, environmental sustainability, participation and capacity-building. Emphasizing the role of participation, he quoted the phrase "every thing you do to me, without me, is against me".

34. In the ensuing discussion, a number of participants described the planning mechanisms in place in their countries and their experiences in collaborating with UN-Habitat in the area of planning. One representative stressed the importance of taking stock of planning tools and elaborating best practices. In response to the concern expressed by one participant that decentralization should be monitored to ensure that the desired results were achieved, Mr. Mbassi said that to that end his organization, in collaboration with UN-Habitat, had developed a global observatory on local democracy. Other points raised included the need for a paradigm shift in the definition of development and the importance of reconsidering the purpose of planning systems for the twenty-first century, in the light of rapid urbanization, as it was now necessary to focus on such issues as reducing vulnerability to environmental disasters and ensuring environmental sustainability, and earlier planning objectives might no longer apply. It was noted that the current planning challenges were international but applied to individual countries in different ways.

35. A number of speakers stressed the importance of capacity-building for all stakeholders in the planning process. Referring to the importance of ensuring that the experiences of the general population were taken into account in the planning process, one panellist stressed the need to listen particularly to women and young people. One representative of a developing country said that the problem facing some countries was not a lack of planning but rather the difficulty of accessing the financial resources necessary to implement plans.

2. Financing pro-poor housing and urban development

36. Ms. Platt introduced the panellists for the second segment, Ms. Barbra Kohlo, Regional Housing Advisor, Swedish Cooperative Centre and Mr. James Kinobe, Minister of State for Youth, Uganda.

37. Ms. Kohlo noted that financing pro-poor housing and urban development was an ever more critical issue in the face of the rapid and chaotic urbanization taking place in developing countries and the growing number of the urban poor living in slums. The shortcomings of Governments in particular had contributed in various ways to the current challenges facing African countries. She highlighted the diverse means by which poor urban communities had organized themselves and stressed the importance of a participatory and consultative urban planning process. There was a need for donors to move away from one-off projects to longer-term programmes that combined capacity-building and the provision of construction finance. The engagement of the State in the provision of housing finance to boost the inadequate savings of poor people

was crucial and experiences from around the world should be documented with lessons learned and best practices elaborated for scaling up. UN-Habitat had a role to play in information exchange and scaling up successful urban experiences; assisting States in mobilizing funds and capacity-building; and forming strategic alliances. She stressed the central responsibility of government in addressing the challenges of urbanization: Governments should be compelled to uphold, protect and guarantee the rights of the urban poor through the creation of facilitative environments, open spaces for dialogue and participation in planning and decision-making, and through demonstrating political will and commitment to eradicating poverty.

38. Mr. Kinobe highlighted the importance of identifying the role of young people and including a framework for their participation in finance and planning processes. An increasing number of young people made up a significant majority of people living in urban areas in developing countries. In Uganda, 76 per cent of the population were under 30 years old and many of them were homeless, unskilled, had no specific income and depended on insalubrious activities for their very survival. Young people had immense potential to contribute to social development, but their strengths needed to be harnessed with deliberate targets. He commended the drafting of a resolution on the establishment of a youth trust fund for possible adoption by the Governing Council at the current session. Nevertheless, he emphasized the importance of building capacity rather than creating further dependence on donor aid.

39. In the discussion that ensued, a number of representatives elaborated on experiences in their countries. One successful model for replication was cited as Shack Dwellers Federation of Namibia, a group of low-income women that raised funds to finance the building of houses. The Government of that country allocated funds for the community-based organization in its national budget; also, the group's work had expanded from urban to rural areas and included cooperation with international non-governmental organizations.

40. A number of representatives pointed to the importance of the sharing of experiences and, in that regard, supported the proposal for a dialogue on microfinancing, building on experiences and lessons learned, to be held at the fourth World Urban Forum. A number of representatives called for more emphasis on community-private and community-public partnerships.

41. Other issues raised by representatives included the central responsibility of national Governments in financing pro-poor housing; the importance of focusing on what the people could contribute to the process; the need to address all sections of the population in budgeting, planning and development without marginalizing the poor; that one of the biggest obstacles to financing pro-poor housing was the lack of municipal finance for basic infrastructures and services; the need for more information on ways of mobilizing private-sector involvement; the importance of involving decision-makers in planning and exploiting synergies between ministries and levels of government; and the contradictions that could arise as a result of the proliferation of planning policies.

42. Summarizing the discussion, the facilitator stressed the interdependence of all people and elaborated on the challenges highlighted at the third World Urban Forum, noting the need for sustainable planning system tools and frameworks with clear roles for implementing agencies; linkages between planning and investment for improved local action; public-private partnerships using appropriate models; adequate funding of planning mandates; integrated planning, including gender, youth and urban poor issues and participatory approaches focused on achievable outcomes; effective planning for sustainable urbanization and sustainable development; and partnerships for capacity-building for planning and local administration, including financial management. In that connection, she reminded participants in the dialogue that a dialogue session on housing finance was to be held at the fourth World Urban Forum.

3. Towards an agenda for local action for poverty reduction

43. The Vice-President of the Governing Council, Mr. Michael Werikhe, introduced the facilitator, Mr. Willem van Vliet– of the University of Colorado and invited the panellists, Mr. Luiz Carlos Fabbri, Ministry of Cities (Housing and Urban Development), Brazil; Mr. José Cuervo, Vice-Mayor of Barcelona,

Spain; Mr. Smangaliso Mkhatshwa (UCLG) former Mayor of Tshwane, South Africa; Mr. Eloy Cantú Segovia, President, Global Parliamentarians on Habitat, Mexico; Ms. Maria Teresa Rodriguez, Women and Peace Network, Guatemala; Ms. Rose Molokoane, Slum Dwellers International, South Africa; Mr. Laxman Perera, Ministry of Urban Development and Water Supply, Sri Lanka; and Mr. Aduragbemi Ogunbanke, Young Entrepreneurs in Africa, to make their presentations.

44. Mr. Fabbri pointed out that housing and urban development funding for the poor constituted a major challenge for all since the construction of sustainable cities required sizeable investments in urban infrastructure. The Government of Brazil was making efforts to address the housing shortage by undertaking major public investments and focusing on areas with the highest concentrations of urban poverty. Through its pilot investment plan, the Government had freed a number of programmes from fiscal restrictions so as to be able to address the needs of low-income households better through public-funded actions. The pilot investment plan included resources for the improvement of slums equivalent to $4 billion and another $4 billion for public sanitation works for low-income populations. He emphasized the essential role which the State must play in granting benefits to poor populations in Brazilian cities, as an agent and inducer of investment.

45. Mr. Cuervo said that the growth of urbanization throughout the world and the movement of populations to urban centres constituted a challenge. Cities should be spaces for all, and globalization meant that solutions must be found for different types of inequalities in cities. Barcelona had tried to open doors to people from all strata of society, but over the past few years globalization had been beneficial to some but not to others; thus, there was a need for new thinking and new concepts. In Barcelona, the local government encouraged companies to invest in the city, where there were many investment opportunities. Also, cooperation between the public and the private sectors, though desirable, was not easy: the private sector was interested in profits, stability was required for investments to yield returns, so there was resistance to change. Nevertheless, the private sector should be involved in solving the problem of exclusion. The local government also worked with citizen groups, and was working also in collaboration with UN-Habitat and UNEP on the issue of poverty reduction.

46. Mr. Mkhatshwa said that in South Africa and elsewhere local authorities were committed to rural areas because they felt that it was necessary to maintain a balance in development between rural and urban areas. There was an implicit recognition in the theme of the current session, however, that urbanization throughout the world was inexorable and that it often led to the development of slums. The lesson for political leaders was that there was a need for more investment in early-warning systems for migration to urban areas. With regard to localizing Agenda 21, there was a need to decentralize to local governments and to involve local communities in issues. There was also a need to include civil society and target participation on the part of groups such as women and youth. For local action, it was important to empower local authorities.

47. Mr. Segovia pointed out that it was the task of parliamentarians to translate the proposals made by UN-Habitat into action. Parliamentarians were the ones that could pass legislation that favoured the poor. At the international level, they developed and reviewed treaties. They participated in forums discussing themes relating to the work of UN-Habitat. Global Parliamentarians on Habitat had held meetings in many countries, which had given them experience that could be applied to any country on a case-by-case basis. He stressed that cities needed not just housing but quality housing, and lamented the fact that Governments normally did not allocate adequate financial resources to local governments: cities should be in a position to provide quality services to their residents. The Global Parliamentarians were therefore advocating the decentralization of planning, and were also committed to competitiveness, which promoted economic growth.

48. Ms. Rodriguez said that the Women and Peace Network was working on the reconstruction of countries emerging from armed conflict, but even elsewhere there was a need to address extreme poverty. Through discrimination, women, for example, were impoverished even if they were wealthy. There was a need to empower women socially, economically and politically. International organizations must give assistance to grassroots women so that they could participate in decision-making and they must facilitate

genuine participation of women in economic development. However, for there to be economic growth there must be security: women must have the right to own land with security of tenure, the right to live in cities without violence, and the right to participate in decision-making processes.

49. Ms. Molokoane said that Slum Dwellers International already had a poverty reduction agenda and that land, housing and collaboration were issues that were being addressed. Slum Dwellers International had realized that small savings could attract more resources if used creatively. The organization was calling on Governments, international organizations and the United Nations for assistance. It had already built a university for slum dwellers in India. It was convinced that eviction was not a solution to the problems of slums, and so it had created partnership with Governments and was trying to convince them that slum dwellers might be poor but they were not hopeless. Slum Dwellers International had an exchange programme that enabled the exchange of views and experiences between countries, and she had come to the conclusion that there was a need to extend public-private partnership to include communities. Slum dwellers and communities needed the political will of leaders and they wanted to be considered as partners for, after all, grassroots input into national policies was a necessity.

50. Mr. Perera said that there was a need to determine what changes were required at the city and country level to support local action. Because most local authorities were not able to work with communities, there was a need to develop partnerships.

51. Mr. Ogunbanke pointed out that young people, who constituted 70 per cent of the population in some developing countries, were the most affected by poverty, unemployment and unsustainable urban development. With the current mass urbanization, urgent action was necessary, and young people possessed immense potential to contribute to social development if given the right opportunities. He appealed to the private sector to give young people opportunities by creating employment, investing in slums and investing in slum upgrading in a profitable manner. Governments should support youth initiatives and the international community, particularly United Nations agencies, should recognize that young people constituted a strong force that could be harnessed to achieve the Millennium Development Goals. He commended UN-Habitat on its activities as they related to young people, including the Global Partnership Initiative, which had included the creation of "One Stop Youth Centres".

52. Following the presentations of the panellists, the facilitator requested discussion points from participants on the main theme, "An agenda for local action for poverty reduction". During the first round of the discussion, several participants spoke of the need for increased decentralization of decision-making, while noting that it implied capacity-building, training and finance to raise the capabilities of local actors. One participant said that decentralization did not run counter to the affairs of the State but rather had the potential to reinforce the State by promoting democratic ideals. A main theme raised in the discussion was the need for increased promotion of private-public partnerships while accommodating other diverse stakeholders within local communities. One participant said that the market-centred ideology was increasingly taken for granted in intergovernmental discourse and that a more social, people-centred perspective, including community-private and community-public partnerships, was required in order to achieve social justice and well-being for the marginalized.

53. The facilitator asked the panellists to respond particularly to the issue of how to ensure that decentralization was inclusive. Mr. Cuervo pointed to the need to find a compromise between the various stakeholders at the local level. The community, government and the private sector all had their roles to play, requiring a balance between local opinion, social welfare and profit when formulating urban projects. It was important to work productively with non-governmental organizations. Quoting the example of South Africa, Mr. Mkhatshwa spoke of the need for a national governance structure that allowed federal, provincial and local spheres to participate equally in decision-making processes. Ms. Rodriguez said it was important to ensure that appropriate mechanisms were in place whereby women had equal rights to land tenure and ownership; the current disempowerment of women left them vulnerable to the adverse effects of corruption, violence and other social ills. Ms. Molokoane said that effective programmes for change required recognition and support at all levels if they were to be properly integrated into development planning. Mr. Fabbri observed that it was difficult for local governments to set up public-private

partnerships, and decentralization was therefore not just an administrative process but one that involved improved efficiency and a broadening of political participation.

54. During the second round of the discussion, a number of further themes were raised. Several participants spoke of the negative effects of terrorism, war and violence, including forced migration and pressure on the resources of urban centres, causing particular hardship for vulnerable sectors of society, including the young and the elderly. One participant said that, in designing actionable ideas, the issue of HIV/AIDS should be given due attention. Others highlighted the need to facilitate the movement of finance to those areas where it was most needed, with some drawing attention to the value of fund creation for particular projects at local level while warning of the susceptibility of such funds to "leakage" because of corruption and spending on marginal activities such as workshops, weakening their impact on the ground. Corruption was seen as a threat to the decentralization of financial responsibilities, and improved systems for ensuring transparency were needed.

55. The facilitator asked for responses from the panellists, focusing particularly on the issues of security and accountability. Mr. Fabbri said that it was important to develop local security systems that enabled citizens to benefit from their right to enjoy the positive dimensions of city dwelling. Ms. Molokoane said there was a link between personal security and security of tenure: ownership of land encouraged more settled occupation, a demand for education and other basic facilities, employment opportunities and a spirit of citizenship, while discouraging urban violence, vandalism and corruption. Mr. Segovia said that, in South America as elsewhere, much urban violence stemmed from organized crime, which required international cooperation and law enforcement training if it was to be combated. The facilitator pointed out that the upcoming UN-Habitat Global Report on Human Settlements 2007 dealt with many of the issues raised in the discussion.

56. The panellists were invited to make concluding remarks. Ms. Rodriguez, noting that the mid term of the schedule for the achievement of the Millennium Development Goals was approaching, said that radical political decisions and innovative solutions were required if they were to be achieved. Mr. Cuervo reaffirmed his confidence that cities could be public spheres that were accommodating and inclusive while offering opportunities for personal advancement. Ms. Molokoane re-emphasized the importance of extending public-private partnership to embrace community representatives and of Governments providing local communities with the resources to construct their own houses. Mr. Perera said that alleviation of local poverty required the mobilization of local resources and the inclusion of the local community in all actions. Continuing the theme, Mr. Fabbri said that, in order to be effective, local action to combat poverty required integration of political, social and economic spheres and their representatives. Mr. Mkhatshwa noted that while forums such as the current dialogue were useful for generating guidelines and principles, there was a need for more effective action on the ground. Mr. Segovia observed that politics was the art of making the desired possible and that strong legislative frameworks were a basis for achieving that result. Mr. Ogunbanke said that the energy of young people, too often wasted by exploitative practices, had great potential as a force for poverty reduction. Closing the dialogue, the facilitator pointed to the importance of knowledge as a guide to action: research and information-gathering were effective tools in formulating plans of action and advocating change as a means of achieving the larger goals of social justice and social inclusion.

Annex VII

List of documents before the Governing Council at its twenty-first session

Agenda item	Symbol	Title
		Notification by the Executive Director
		Addendum: Notification by the Executive Director
4	HSP/GC/21/1	Provisional agenda
4	HSP/GC/21/1/Add.1	Addendum: annotations to the provisional agenda including organization of work: note by the secretariat
4	HSP/GC/21/INF/1	List of documents before the Governing Council
5	HSP/GC/21/2	Activities of the United Nations Human Settlements Programme: progress report of the Executive Director
5	HSP/GC/21/2/Add.1	Addendum: report of the Executive Director on the third session of the World Urban Forum: note by the secretariat
5	HSP/GC/21/INF/2	Report of the third session of the World Urban Forum: note by the secretariat
5	HSP/GC/21/2/Add.2	Addendum: cooperation with local authorities and other Habitat Agenda partners, including draft guidelines on decentralization and the strengthening of local authorities
5	HSP/GC/21/2/Add.3	Addendum: cooperation with agencies and organizations within the United Nations system, intergovernmental organizations outside the United Nations system and non-governmental organizations
5	HSP/GC/21/2/Add.4	Addendum: matters arising out of the resolutions of major legislative organs of the United Nations and other intergovernmental bodies which are brought to the attention of the Governing Council: report of the Executive Director
5	HSP/GC/21/2/Add.4/Corr. 1	Addendum: matters arising out of the resolutions of major legislative organs of the United Nations and other intergovernmental bodies which are brought to the attention of the Governing Council: report of the Executive Director

Agenda item	Symbol	Title
5	HSP/GC/21/2/Add.5	Addendum: joint progress report of the Executive Directors of the United Nations Human Settlements Programme and the United Nations Environment Programme: activities in the field of urban environment
5	HSP/GC/21/2/Add.6	Addendum: energy consumption in human settlements: report of the Executive Director
5	HSP/GC/21/2/Add.7	Addendum: guiding principles on access to basic services for all
5	HSP/GC/21/INF/3	Guiding principles on access to basic services for all: documented best practices
5	HSP/GC/21/2/Add.8	Addendum: independent Strategic Evaluation of the performance and impact of the Habitat Programme Managers: executive summary of the evaluation report
5	HSP/GC/21/2/Add.9	Addendum: report of the Committee of the Permanent Representatives during the intersessional period, including proposals for the organization of the twenty-first and future sessions of the Governing Council
5	HSP/GC/21/2/Add.10	Addendum: draft resolutions prepared by the Committee of Permanent Representatives: note by the Secretariat
5	HSP/GC/21/INF/4	Independent strategic evaluation of the performance and impact of the Habitat programme managers
5	HSP/GC/21/INF/5	Operational activities report 2006
5	HSP/GC/21/INF/10	Global Report on Human Settlements 2007
6	HSP/GC/21/3	Dialogue on the special theme for the twenty-first session of the Governing Council: sustainable urbanization: local action for urban poverty reduction with an emphasis on finance and planning: report of the Executive Director
7	HSP/GC/21/4	Proposed work programme and budget for 2008–2009: report of the Executive Director
7	HSP/GC/21/4/Add.1	Addendum: proposed work programme and budget for 2008–2009: report of the Advisory Committee on Administrative and Budgetary Questions
7	HSP/GC/21/4/Add.2	Addendum: proposed work programme and budget for 2008–2009: supplementary Budget for implementing the medium-term strategic and institutional plan

Agenda item	Symbol	Title
7	HSP/GC/21/INF/6	Status of voluntary contributions to the United Nations Habitat and Human Settlements Foundation as on 28 February 2007: note by the secretariat
7	HSP/GC/21/INF/8	Work programme of the United Nations Settlements Programme, UN-Habitat, for the biennium 2008–2009 and budget of the United Nations Habitat and Human Settlements Foundation for the biennium 2008–2009: United-Nations Habitat and Human Settlements Foundation: Financial report for the biennium ended 31 December 2005 and report of the Board of Auditors: note by the secretariat
7	HSP/GC/21/INF/9	Review of current administrative arrangements of the United-Nations Human Settlements Programme, including its relationship with the United Nations Office at Nairobi
8	HSP/GC/21/5	Medium-Term Strategic and Institutional Plan for 2008–2013: results-based framework: report by the Executive Director
8	HSP/GC/21/5/Corr.1	Medium-Term Strategic and Institutional Plan for 2008–2013: results-based framework: corrigendum
8	HSP/GC/21/5/Add.1	Addendum: Medium-term strategic and institutional plan (MTSIP): supplementary report
8	HSP/GC/21/5/Add.2	Addendum: Medium-term strategic and institutional plan for 2008–2013: Voluntary indicative scale of contributions
8	HSP/GC/21/5/Add.3	Addendum: United Nations Habitat and Human Settlements Foundation: policy framework and draft operational procedures and guidelines
8	HSP/GC/21/INF/7	United Nations Habitat and Human Settlements Foundation: Question and Answer: 13 April 2007
9	HSP/GC/21/6	Provisional agenda and other arrangements for the twenty-second session of the Governing Council

07-38682 (E) 260607